General Commercial Reg. Number: 346001000

AVLONAS ATTICA, DRASEZA PLACE (Industrial park Avlona)

ANNUAL FINANCIAL REPORT
PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2016

In accordance with International Financial Reporting Standards (IFRS)

(As adopted by the European Union)

It is asserted that this Annual Financial Report for 2016 (01.01.2015-31.12.2016) is conducted according to article 4 of the Law 3556/2007 and the relevant Decisions of the Hellenic Capital Market Commission is the one which approved by the Board of Directors of "ELTON INTERNATIONAL TRADING COMPANY S.A.", on April 26th 2017 and is posted on www.elton.gr, where it will remain at the disposal of the investing public for at least five (5) years after its publication.

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*These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek version will prevail over this document

STATEMENTS OF THE MEMBERS OF THE BOARD

The following members of the Board of Directors of the Company "ELTON INTERNATIONAL TRADING COMPANY S.A." and especially:

1. Nestor Papathanasiou of Dimitrios, Chairman of the Board of Directors and CEO
2. Alkistis Papathanasiou of Nestor, executive member of the Board
3. Katy Andreou of Ioannis, executive member of the Board,

with our above-mentioned status and according to article No. 4, paragraph 2, of the law 3556/2007, as it stands today, and as especially assigned from the Board of Directors of the Public Listed Company under the name "ELTON INTERNATIONAL TRADING COMPANY SA" (hereafter referred to as the "Company" or as "ELTON"), we state and we assert that to the best of our knowledge:

(a) The financial statements of the Company (and the consolidated) for the period 2016 (01.01.2016-31.12.2016), which were prepared according to the current accounting standards, depict in a truthful way the assets and the liabilities, the equity and the results of the Group and the Company, as well as the companies' which are included in the consolidation as total, and

(b) The Report of the Board of Directors of the Company presents in a truthful way the significant events that took place in the financial year of 2016, the evolution and the position of the Company, as well as the companies that are included in the consolidation as a total, including the main risks and uncertainties they face.

Avlonas Attica, April 26th 2017

The asserting,

President of BoD and CEO	Executive member of the Board	Executive member of the Board
Nestor D. Papathanasiou	Alkistis N. Papathanasiou	Katy I. Andreou
ID card AB 606775	ID card AE 105490	ID card AB 237937

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Annual Report of the Board of Directors for the period 2016 (including the State of Corporate Governance)

INTRODUCTION

The present Report of the Board of Directors (from now on referred to as the ''Report'') which follows refers to the financial year of 2016 (01/01/2016 - 31/12/2016).

This Report, was compiled and is in line with the relevant stipulations of the law 3556/2007 and the relevant executive decisions of the Hellenic Capital Market Commission.

The present Report contains in a brief, but substantive manner all the important units, which are necessary, based on the above-mentioned legislative frame and depicts in a truthful way all the relevant indispensable according to the law information, in order to deduce a substantive and well-founded appraisal of the activity, during the time period in question, of the company "ELTON INTERNATIONAL TRADING COMPANY SA" (hereafter referred to as the "**Company**" or "**Issuer**" or as "**ELTON**") as well as the Group.

In the Group, apart from ELTON, also the following associated companies are included:

a) ELTON CORPORATION SA, which is located in Bucharest Romania, Campului street 5, Pantelimon, in which ELTON participates a 100%.

b) ELTON CORPORATION LTD, which is located in Sofia Bulgaria, Botevgradsko Shose Blvd., 2nd kilometer from the ring-road /direction to Varna/1855 Dolni Bogrov, in which ELTON participates a 100%.

c) ELTON CORPORATION DOO, which is located in Belgrade Serbia, Sanje Zivanovica 27a, in which ELTON participates a 100%.

d) ELTON PLS, which is located in Avlona Attica , Draseza place , in which ELTON participates a 70%.

e) ELTON CORPORATION O.O.O., which is located in Kiev Ukraine, Mezhigorskaya str.82 "A", office 303, 04080, in which ELTON participates a 100%.

f) ELTON MARMARA KIMYA SANAYI VE TICARET A.S., which is located in Besiktas municipality of Istanbul, in which ELTON participates a 70% (indirect participation through the 100% subsidiary ELTON CORPORATION S.A. Romania)

This report was prepared in accordance with the terms and conditions of the pre-described legal framework, notably Article 4 of L.3556/2007 and Article 4 of Decision 7/448/11.10.2007 of the Board of the Capital Market Commission and accompanies the financial statements for the year 2016 (1.1.2016-31.12.2016).

Given that the Company also prepares consolidated financial statements, the present report is single, the main point of reference is the consolidated financial figures of the Company and

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the associate companies, and the parent company's figures are referred to when it is considered necessary in order to better understand its content.

This Report is included integral, with the financial statements of the Company and the other elements and statements that are dictated by the law, in the Annual Financial Report that includes the Corporate Government Statement and refers to the financial year of 2016.

The sections of the Report and their content are as follows:

SECTION A

Important Events during the Fiscal Year of 2016

The important events which took place during the fiscal year 2016 (01.01.2016-31.12.2016) in the order they took place, for the Company and the Group are the following:

23/03/2016 - Announcement of the Financial Calendar 2016

In accordance with articles 4.1.2 and 4.1.4.3.1 of Rulebook of ASE, ELTON SA announces the Financial Calendar for the year 2016 according to which:

1. Announcement date of the annual Results 2015: Thursday 31st March, 2016.
2. The Annual General Meeting of Shareholders will be held Wednesday 29th June 2016.

It is noticed that the Board of Directors of the Company intends to propose not dividend distribution for the year 2015 to the Annual General Meeting.

Details will be given by announcement of the company at a later date. The company retains the right to change the above dates if timely notification of the public by amending the present, according to the provisions of the Athens Exchange Rulebook.

01/04/2016 - Publication of Financial Results 2015

25/04/2016 – Announcement regarding the origin of member state

The Societe Anonyme under the name "ELTON INTERNATIONAL TRADING SOCIETE ANONYME COMMERCIAL & INDUSTRIAL COMPANY" and the distinctive title "ELTON SA" following the amendment of Law 3556/2007 from Law 4374/2014 (Government Gazette A 50 / 01.04.2016), and in particular due to the addition under Article 2 (2) of that Law, under the circumstances of Article 5 (3) of Law 3556/2007, informs the investing public that the Member State of origin is Greece.

06/06/2016 - Invitation to Annual General Meeting

29/06/2016 - Decisions of the Annual General Assembly 29/06/2016

It is announced that on 29/06/2016 at the offices of the company in the municipality of Avlona, place Draseza (Industrial Park) took place The Annual General Meeting of shareholders of our Company after the 2/06/2016 invitation of BoD, which was attended by seven (7) shareholders (six in person and one by proxy), representing a total of 21.478.524 shares, i.e. 80,35 % of the share capital of the company.

On the issues of the agenda following decisions were taken:

1. Unanimously approved by votes 21.478.524 for total that were present 21.478.524, i.e. 100% of the present shareholders and votes, the Annual Financial Statements for the fiscal year 1/1-31/12/2015 and Financial Statements & Information of fiscal year 1/1-31/12/2015, which are included in the Annual Financial Report for the fiscal year 2015 according to the Article 4 of Law 3556/2007.

2. Unanimously approved by votes 21.478.524 for total that were present 21.478.524, i.e. 100% of the present shareholders and votes, the Board of Directors' Report and Audit Report of Independent Certified Auditor - Accountant on the annual Financial Statements for the fiscal year 1/1/2015-31/12/2015 and the information specified in Article 10 of L.3401/2005.

3. Unanimously approved by votes 21.478.524 for total that were present 21.478.524, i.e. 100% of the present shareholders and votes, to discharge the Members of the Board of Directors and of the Auditors from any compensation liability regarding Annual Financial Statements and the activities during the fiscal year that ended on 31.12.2015.

4. Unanimously approved by votes 21.478.524 for total that were present 21.478.524, i.e. 100% of the present shareholders and votes, the fees of the Board of Directors members for the year 1/1/2015-31/12/2015.

5. Unanimously pre-approved by votes 21.478.524 for total that were present 21.478.524, i.e. 100% of the present shareholders and votes, the fees of the Board of Directors members for the year 1/1/2016-31/12/2016.

6. Elected by votes 21.475.494 for total that were present 21.478.524, i.e. 99,98% of the present shareholders and votes, the audit firm SOL SA for the audit of annual year 2016.

7. Approved unanimously by votes 21.478.524 for the total that were present 21.478.524, i.e. 100% of the present shareholders and votes, the extension of the company's scope by amending article 2 of the Articles of Association.

8. Approved unanimously by votes 21.478.524 for total that were present 21.478.524, i.e. 100% of the present shareholders and votes, not to be discussed the election of new Board of Directors.

9. Approved by votes 21.475.494 for total that were present 21.478.524, i.e. 99,98% of the present shareholders and votes, the contracts for work and services with Board of Directors members in accordance with Article 23a of Codified 2190/20 as applicable.

10. Approved unanimously with 21.478.524 votes out of 21.478.524 were present, namely 100% of the present voting shareholders, the granting of guarantees license or other securities in subsidiaries in accordance with article 23a of CL 2190/20 as amended.

06/09/2016 – <u>Award announcement of the European Business Awards 2016/17</u>

30/09/2016 - <u>Publication of Financial Results of 1st half 2016</u>

SECTION B

Main Risks and Uncertainties

The Group is exposed to a variety of financial risks: market risk (including changes in exchange rates), credit risk, liquidity risk, cash flow risk and fair value risk from changes in interest rates.

The overall risk management of the Group focuses on the unpredictability of financial markets and seeks to minimize their potential negative effects on the financial performance of the Group.

1. Market Risk

A. Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risks arise from future commercial transactions, recognized assets and liabilities and investments having their head office and operate abroad. The Group has certain investments in subsidiaries that are depicted in the table below, whose assets are exposed to currency risks.

COMPANY	COUNTRY	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
ELTON CORPORATION SA	ROMANIA	100%	FULL
ELTON CORPORATION LTD	BULGARIA	100%	FULL
ELTON CORPORATION DOO	SERBIA	100%	FULL
ELTON CORPORATION OOO	UKRAINE	100%	FULL (*from 1.1.2016)
ELTON MARMARA KIMYA SANAYI VE TICARET A.S.	TURKEY	70%	FULL

B. Price risk

The Group is not exposed to debt securities price risk due to their total lack.
However is exposed to changes in the value of commodities traded (Bulk chemicals) and this because their price is directly related to the price of petroleum, as valued in the current market. The risk is managed through a similar change in selling prices of the goods available.

2. Cash flow and fair value interest

A. Interest risk

The Group has no interest-bearing assets and therefore income and operating cash flows are substantially independent of changes in market interest rates.
The Group's interest risk is increased by long-term and short-term borrowings.

In particular the long-term bond loan on December 31, 2016 of the Company and of the Group amounted to 2.663.154 euro (2015: 1.666.664 euros) and 2.262.653 euro (2015: 1.666.664 euro) while the short-term bond borrowings of the Group and the Company at 1.666.664 euros and the short-term bank borrowing of the Group and the Company at 16.462.057 euro (2015: 17.921.146 euro) and 13.585.142 (2015: 13.362.248 euro).
The long-term bank borrowing of the amount 3.000.000 euro has been concluded with fixed interest rate 2,92% and according to the agreement of the repayment table it will be repaid at 16 equivalent quarterly installments.
The short-term bond borrowing is a common bond loan of ten years duration with semi-annual installments and six month interest charge of total initial nominal value fifteen million (15.000.000) euros. The interest rate is with fixed part (spread) per annum and variable part which is equal to the EURIBOR of the interest period.
Short-term bank borrowing has been concluded with a floating interest rate.
In case of +1% or -1% change of interest rate the effects on equity and results of the Group and the Company are presented below:
A) Increase in interest rate by 1%
The results for the year and equity of the Group and the Company would burden by 207.919 and 175.145 euros respectively.
B) Decrease in interest rate by 1%
The results of the year and the equity of the Group and the Company would increase by 207.919 and 175.145 euros respectively.

B. Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks, and credit reports of customers including significant receivables and transactions.
The Group has significant concentration of receivables, mainly because of the fact that the greatest number of its claims are relating to a limited number of customers, who are international prestige multinational companies, whether they are related parties within the meaning of IAS 24 and therefore the existence of credit risk is limited.
The Group and the Company make provision for doubtful customers.
On 31 December 2016 the total amount of customers' and other trade receivables was EUR 45.666.059 (2015: 44.248.542) and EUR 33.529.808 (2015: 31.705.293) respectively and the provisions for doubtful debts were 5.095.329 euros (2015: 3.828.568) and 4.001.235 euros (2015: 3.001.235) respectively i.e. 11,16% (2015: 8,65%) and 11,93% (2015: 9,47%) which the management of the Company considers satisfactory in an environment of increased credit fluctuations.
Also the debit balances of subsidiaries on December 31, 2016 amounted to EUR 952.136 (2015: 673.532 euro) which the Company's management believes that presenting no risk of non-collecting since subsidiaries are controlled 100% by the parent.

C. Capital management risk

The capital management aims to ensure the Group the ability to continue its activities in order to provide profits to the shareholders and benefits for other interested parties, while maintaining a capital structure that minimizes the cost of capital. The tools of capital management are the dividend policy, the issuance or return of capital and trading of assets. The main index used in the management of capital is the leverage factor, which is calculated as net borrowing divided by total usable capital.

Net borrowing is calculated as total borrowings (including short and long term loans) minus cash and cash equivalents.

The total usable capital is calculated by the equity that is displayed in the balance sheet plus the net borrowing.

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Total of borrowings	20.791.875	21.254.474	17.514.459	16.695.576
Less: Cash and cash equivalents	-6.040.849	-5.492.326	-5.301.231	-3.450.156
Net Borrowing	**14.751.026**	**15.762.148**	**12.213.228**	**13.245.420**
Equity	49.587.373	47.441.428	44.794.962	43.137.538
Total usable capital	**64.338.399**	**63.203.577**	**57.008.190**	**56.382.958**
Leverage factor	**22,93%**	**24,94%**	**21,42%**	**23,49%**

It is observed that the leverage factor on 31 December 2016 in both the Group and the Company appears in percentage smaller than the previous fiscal year 2015 due to profitability and increase of Equity.

D. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of financing through sufficient credit operations. The table below analyzes the financial liabilities of the Group and the Company classified in groups by date, calculated in accordance with the remaining period from the balance sheet date until the contractual maturity date.

Group 31/12/2016	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	18.128.721	2.663.154	0	20.791.875
Trade and other liabilities	15.966.515	0	0	15.966.515
Total	**34.095.236**	**2.663.154**	**0**	**36.758.390**

Group 31/12/2015	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	19.587.810	1.666.664	0	21.254.474

Trade and other liabilities	17.184.326	0	0	17.184.326
Total	**36.772.136**	**1.666.664**	**0**	**38.438.800**

Company 31/12/2016	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	15.251.806	2.262.653	0	17.514.459
Trade and other liabilities	11.522.870	0	0	11.522.870
Total	**26.774.676**	**2.262.653**	**0**	**29.037.329**

Company 31/12/2015	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	15.028.912	1.666.664	0	16.695.576
Trade and other liabilities	12.185.469	0	0	12.185.469
Total	**27.214.381**	**1.666.664**	**0**	**28.881.045**

Group considers that all of the obligations to suppliers are short term. In the same category include other short-term obligations and the tax liabilities.

E. Fire risk

The Group's fixed assets (buildings, warehouses, offices, machinery and furniture) and the inventories of the Company are fully insured against fire, lightning, storm, storm, other natural disasters and acts of terrorism.

The inventories that are in warehouses of the company are insured at their acquisition value against all these risks. Additionally, there are insurance programs for loss of gross profit as a consequence of business interruption, from coverage of property damage, as well as programs covering financial losses or contingent liabilities of third parties.

Despite security of facilities, stock and employees, in any partial or total destruction or accident related to the above risks, it cannot be provides any confirmation that the Company will be indemnified directly and in full by the insurance company.

In addition, the Group's buildings are in very good condition and have been taken all appropriate measures to address this risk and minimize its consequences.

SECTION C

Important Transactions with Related Parties

This section includes the most important transactions between the Company and its related parties, as they are defined by International Accounting Standard 24.

Especially in this section include:

a) Transactions between the Company and any related party made during the fiscal year 2016, which have materially affected the financial position or performance of the Company during this period,

b) Any changes in the transactions between the Company and any related party described in the last annual report that could have a material effect on the financial position or performance of the Company during the fiscal year 2016.

Note that the reference to those transactions which follows includes the following items:

a) The amount of such transactions for the period 1.1-31.12.2016,

b) The outstanding balance at end of period (31.12.2016)

c) The nature of the related party relationship with the issuer and

d) Any information on transactions, which are necessary for an understanding of the financial position of the Company, but only if such transactions are substantial and not been concluded under normal market conditions.

In particular the transactions and the balances between the Company and the related legal entities (subsidiaries), as defined by the International Accounting Standard 24, for the period 1.1.2016-31.12.2016 and 31 December 2016 were as follows (amounts in euro):

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

	SALES		PURCHASES	
COMPANY	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
ELTON CORPORATION SA	443.043	520.856	544.982	1.765.933
ELTON CORPORATION EOOD	227.124	166.321	45.176	171.796
ELTON CORPORATION DOO	185.326	81.617	25.520	0
ELTON MARMARA	104.500	0	0	0
TOTAL	**959.994**	**768.794**	**615.678**	**1.937.729**

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

	RECEIVABLES		OBLIGATIONS	
COMPANY	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
ELTON CORPORATION SA	49.671	83.197	1.572.518	1.478.037
ELTON CORPORATION LTD	549.979	395.650	17.660	18.787
ELTON CORPORATION DOO	300.156	194.685	0	0
ELTON MARMARA	52.330	0	0	0
TOTAL	**952.136**	**673.532**	**1.590.179**	**1.496.824**

Analytically and with the objective of specific determination of the above transactions are specified the following:

Transactions and balances with related natural persons, as defined by the International Accounting Standard 24, for the period 1.1-31.12.2016 and 31 December 2016 respectively for the period 1.1-31.12.2015 and December 31, 2015 were as follows (amounts in euros):

	GROUP		COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Transactions and fees of managers and members of the administration from payroll and profits	1.025.850	868.908	705.079	720.251
Receivables from managers and BoD members	0	0	0	0
Obligations to key management personnel and BoD members	24.337	74.337	24.337	74.337

There were no changes in the transactions between the Company and its connected persons which could have a material effect on the financial position and performance of the Company for the period 1.1-31.12.2016.

All transactions described above have been concluded under normal market conditions, ie under conditions identical to those that would apply for the same or similar transactions between independent enterprises.

SECTION D

Detailed information according to Article 4 § 7 of L.3556/2007 as valid today (Explanatory Report)

Structure of the share capital of the Company

The Company's share capital amounts to 16.038.112 euro. It is divided to 26.730.187 ordinary shares with a nominal value of 0,60 euro each.

The shares are nominal and registered and listed for trading on the Hellenic Exchange Market (under "Mid Cap") of the Athens Stock Exchange.

Each share empowers the entitlement of one vote at the General Assembly.

Each share provides all the rights and creates all the obligations identified by the Law and the Company's Articles of Association. The responsibility of shareholders is limited to the nominal value of their shares.

Restrictions to the transfer of shares of the Company

The transfer of shares is done as stipulated by Law and there are no restrictions from the Association.

Important direct or indirect participations

The significant holdings of the Company are the following:

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a) ELTON CORPORATION SA, Romanian subsidiary in which the Company holds 100% of shares and voting rights

b) ELTON CORPORATION LTD, Bulgarian subsidiary in which the Company holds 100% of the share capital.

c) ELTON CORPORATION DOO, Serbian subsidiary in which the Company holds 100% of the share capital.

d) ELTON PLS A.E., subsidiary in Greece, in which the Company holds 70% equity.

e) ELTON CORPORATION OOO, Ukrainian subsidiary, in which the Company holds 100% of the share capital.

f) ELTON MARMARA KIMYA SANAYI VE TICARET A.S. , associated in Turkey, in which participates 70% the Romanian subsidiary ELTON CORPORATION S.A. in the share capital.

Furthermore, at 31/12/2016 the significant (more than 5% of the total voting rights of the Company) direct or indirect participations to the share capital and to the voting rights of the Company, in the sense of articles 9 to 11 of the Law 3556/2007 are the following:

- Papathanasiou Nestor, 9.673.936 shares and voting rights - percentage 36,19% (direct participation).
- Papathanasiou Eleni, 4.896.630 shares and voting rights - percentage 18,32% (direct participation).
- Papathanasiou Panagiota, 3.568.336 shares and voting rights - percentage 13,35% (direct participation).
- Papathanasiou Alkistis, 1.914.045 shares and voting rights - percentage 7,16% (direct participation).

Shares that offer special control rights

There are no shares that offer special control rights.

Limitations in voting rights

There is no provision in the Statute of limitations on voting rights.

Agreements among shareholders of the Company

The Company is not aware neither provided by its Articles of Association of any agreements among shareholders entailing limitations on the transfer of shares or limitations on the voting rights.

Rules of appointment and replacement of the Board of Directors members and amendment of Articles of Association that differ from the provisions of Law 2190/1920

The rules concerning the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association of the Company do not differ from those envisaged in Law 2190/1920.

Responsibility of the Board of Directors or some of its members to issue new shares or purchase own shares of the Company according to the Article 16 of Law 2190/1920

There is no specific authority of the Board of Directors or certain members of the Board of Directors to issue new shares, while the Board of Directors has not been authorized by the General Meeting of shareholders to purchase own shares in accordance with Article 16 of Law 2190/1920.

Significant agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

Significant agreements with members of the Board of Directors or its employees

There are not any significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without reasonable cause, or in case of any other public offer.

SECTION E

Information for Labor issues

The management of the companies of the Group is based on a team of experienced and qualified staffs, which have full knowledge of the companies' subject and market conditions and contribute to the proper functioning and development of the companies.

In these circumstances the company executives are in harmonious cooperation among themselves and with the general management of the company. The infrastructure of the company enables direct replacement of executive without significant impact on the progress of its work.

The relations of the managers with the working staff are excellent and there aren't any labor problems. The result of these relations is the lack of court cases involving labor issues.

The Group and the Company as at 31.12.2016 are employing 230 and 117 people respectively, against 201 and 113 respectively on 31.12.2015.

One of the basic principles governing the operation of the Group is the continuous training of personnel and the strengthening of corporate culture at all levels of operations and activities of the Group.

SECTION F

Financial and non, basic performance indices and analysis of basic financial figures of Group and the Company as compared with the prior year.

Financial and non, basic performance indices of the Group

	31/12/2016	31/12/2015	Comments
Current Assets/Total Assets	76,99%	75,84%	these ratios show the proportion of funds that have been allocated to current and fixed assets
Fixed Assets/Total Assets	23,01%	24,16%	
Equity/Total Obligations	127,12%	116,23%	this ratio points to economic self-sufficiency of the company
Total Obligations/Total Liabilities	44,03%	46,25%	these ratios show the leverage of the company
Equity/Total Liabilities	55,97%	53,75%	
Equity/Fixed Assets	243,29%	222,46%	this ratio shows the extent of funding the Company's assets from equity
Current Assets/Short term Obligations	200,07%	182,02%	this ratio shows the Company's ability to cover its short term obligations by current assets
Net Results before Taxes/Total Sales	3,18%	3,45%	this ratio illustrates the overall performance of the company compared to total revenue
Net Results before Taxes/Equity	7,27%	7,62%	this ratio illustrates the effectiveness of the Company's equity
Gross Results/Total Sales	15,88%	15,71%	this ratio illustrates the percentage size of the gross profit on sales of the Company

Basic financial figures of 2016

The consolidated turnover of ELTON for the fiscal year 2016 amounted to 113,5 million euro from 104,8 million euro in the corresponding period of 2015, increased 8,31 %.
The turnover of the parent company amounted to 74,20 million euro from 71,55 million euro in year 2015, increased 3,70%.
Despite the continuing negative economic climate and during 2016, the gross profit margin maintained at a very good level, slightly increased in both the Company with 15,88% and ELTON Group with 16,03% (the corresponding figures in 2015 were 15,67% in Company and 15,71% of the Group).
Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) for the financial year 2016 totaled 5,89 million euro from 5,72 million euro last year, representing increase 2,83%.

Mother company's earnings before interest, taxes, depreciation and amortization (EBITDA) amounted in the fiscal year 2016 at 3,94 million euro from 3,61 million euros in 2015, representing increase 9,02%.
Earnings before taxes (EBT) of the parent for 2016 amounted to 2,38 million euro from 2,15 million in 2015, increased 10,63%.
Earnings before taxes (EBT) of the Group for 2016 amounted to 3,61 million euros, slightly decreased 0,31% compared to 3,62 million euros in 2015.
Net profit (NIAT) after taxes of the parent for the financial year 2016 amounted to 1,66 million euro from 1,50 million in 2015, increased 10,87%.
Net profit after tax (NIAT) of Group for the financial year 2016 amounted to 2,64 million euro from 2,70 million the previous year, slightly decreased 1,98%.

Changes of key figures of Financial position Statement for the year 2016

It follows a brief description of changes to other key figures for the fiscal year 2016. The significant changes are as follows:
Investments to subsidiary companies increased by € 691.035 representing an increase of 5.67%. The change is due to the share capital increase of the subsidiary company in Ukraine at 150.000 euro and the classification of the value of the participation in the consolidated subsidiaries from 1.1.2016.
Inventories at the end of the period the Group and the Company decreased by € 143.350 and 759.420 euro respectively, representing decrease of 0,77% and 6,19% respectively, in the context of the Management's effort to limit working capital leading to a reduction in the relative weighting on turnover (2016 and 2015 respectively, Group 16,30% and 17,79%, Company 15,52% and 17,16%).
Cash and cash equivalents of the Group and the Company increased € 548.524 and € 1.851.076 respectively, i.e. increase of 9,99% and 53,65% respectively.
The increase is due both to the more efficient management of claims and also due to the increase of the short-term bank loans of the Company. The short term bank loans of the Company present in the fiscal year 2016 rise € 818.883 i.e. 4,90%.
Equity of Group and the Company increased at € 2.145.945 and € 1.657.424 respectively i.e. increase of 4,52% and 3,84% respectively. The equity increase is due to the continuously profitability of both the Group and the Company.
Obligations to suppliers of Group and the Company decreased by € 1.217.466 and € 777.275 respectively, i.e. decrease of 9,03% and 8,63% respectively.

SECTION G

Alternative performance measures (APMs)

As Alternative Performance Measure (APM) is considered, according to the definition of the European Securities and Markets Authority, a financial index of measure historical or future financial performance, financial position or cash flow, but which is not defined or provided in the current Financial Reporting Framework (IFRS). Although not included in IFRSs, EMAs should be evaluated as ancillary and always in combination with the results arising from / included in IFRS.

The Group uses to a limited extent Alternative Performance Measurement Indicators ("APMs") when publishing its financial performance in order to better understand the Group's operating results and financial position. As a general principle, the presentation of these measurement indicators should be clear so that the indicators are appropriate and useful for decision-making by the users of the financial statements.
The following amounts are presented in euro.

A. Net Debt (Net Liquidity): It is an indicator used to estimate the Group's capital structure. It is calculated as the difference between total borrowings (long-term and short-term) and total cash

	GROUP		COMPANY	
Net Debt (liquidity)	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Total long-term borrowings	2.663.154	1.666.664	2.262.653	1.666.664
Total short-term borrowings	18.128.721	19.587.810	15.251.806	15.028.912
Total Borrowings	**20.791.875**	**21.254.474**	**17.514.459**	**16.695.576**
Less: Cash and cash equivalents	(6.040.849)	(5.492.326)	(5.301.231)	(3.450.156)
Net Borrowing	**14.751.026**	**15.762.148**	**12.213.228**	**13.245.420**

B. Profit before Interest, Taxes, Depreciation and Amortization - EBITDA: It is the most used indicator of operating profitability because it only takes into consideration operating expenses. It is calculated as the sum of the operating results (Profit before tax, financial and investment results), depreciation and impairment. The EBITDA margin (%) is calculated as the quotient of EBITDA with the Total Turnover:

	GROUP		COMPANY	
Margin EBITDA	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Operating results (Profit before tax, financial & investment results)	4.991.188	4.865.034	3.297.787	2.969.514
Total depreciation	894.510	858.867	638.757	641.433
EBITDA (A)	**5.885.698**	**5.723.901**	**3.936.544**	**3.610.947**
Turnover (B)	113.521.403	104.815.712	74.200.098	71.549.840
Margin EBITDA (A) / (B)	**5,18%**	**5,46%**	**5,31%**	**5,05%**

SECTION H

Corporate Governance Statement

(The present statement is compiled according to article 43a paragraph 3 of the Law 2190/1920 and is part of the Annual Report of the Board of Directors of the Company)

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INTRODUCTION

The term "corporate governance" describes the way with which companies are managed and controlled.

Corporate governance is stipulated as a system of relationships between the management of the Company, the Board of Directors, the shareholders and other interested parts and constitutes the structure through which the targets of the company are set, the means with which to achieve these targets are set and the observation of the performance of the management is monitored.

The application of corporate governance principles promotes the competitiveness of companies and the increased transparency it offers has as a result the improvement of overall transparency in economic activity of private companies and public organizations and institutions.

On October 2013, the new Code of Corporate Governance was published. This Code was drafted at the initiative of the Hellenic Federation of Enterprises (SEV), and was later on amended, in the context of its first review by the Hellenic Corporate Governance Council (HCGC).
The Hellenic Corporate Governance Council, was founded in 2012 and is the result of synergy of the Hellenic Exchanges Group (HELEX) and the Hellenic Federation of Enterprises (SEV) that together recognized the contribution of corporate governance to the continuous enhancement of the Greek corporate institutional framework and broader business environment and also to the increase of reliability of the Greek market. Hence, since then HCGC works towards this direction.

1. Code of Corporate Governance

1.1 Disclosure of willing compliance of the Company with the Code of Corporate Governance

In Greece the framework of corporate governance has been developed mainly via the adoption of mandatory legislation or regulation, such as 3016/2002, which mandates the participation of non-executives and independent non-executives on the boards of Greek listed companies, as well as the establishment of an internal control function and the adoption of internal charters.
Moreover, a number of other later laws such as 3693/2008, which mandates the creation of Audit Committees and a number of significant disclosure obligations as regards the ownership and governance of companies, and Law 3884/2010 on the rights of shareholders, which includes further obligations regarding disclosure of information to shareholders, prior to General Meetings, transposed several European directives in the area of the company law, for the protection and effective updating of the whole of the shareholders.
Moreover, the Law 3873/2010 incorporates into Greek legislation EU Directive 2006/46/EC, makes obligatory the adoption of a Code of Corporate Governance.
Our company is in full compliance with the above mentioned laws (and more specifically 2190/1920, 3016/2002 and 3693/2008), which comprise the minimum content of any Code of Corporate Governance and at the same time constitute such a Code, though an informal one.

In view of the above, the Company declares and the current fiscal year that at the present time it adopts as Corporate Governance Code (CGC) the Code of Corporate Governance was formed from the Hellenic Corporate Governance Council (HCGC), available at http://www.helex.gr/documents/10180/906743/HCGC_GR_20131022.pdf/e8e7b6da-6dd0-4c30-90e9-79fe9ca8383d and states is subject to that Code by the following deviations and exceptions.
1.2 Deviations from the Code of Governance and explanation of the non- compliance. Specific provisions of the Code do not applied by the Company and explanation of the reasons for non-implementation

The company states that it conforms to all the legal obligations (law 2190/1920, law 3016/2002 and law 3693/2008).

These obligations embody the minimum of any Corporate Governance Code, of listed companies.

An important addition to the new Corporate Governance Code is the adoption of the standard of non-compliance of the Company with special practices of the Code. This means that the new Code follows the rule of "comply or explain" and requires from listed companies that choose to imply it, to publish their intentions and either comply with the whole of the Code's special practices, or explain the reasons of non-compliance with specific provisions.

Regarding the above-mentioned additional practices and rules the new CGC applies, some deviations (including the case on the non-compliance) are observed in the current period, for which a short explanation follows.

Part A - BoD and its members

I. Role and authority of the Board of Directors

- The BoD has not created separate committees, to manage the procedure of nominations to the Board and for the preparation of proposals for election in the BoD concerning the remuneration of the members of the BoD and the Management Team.

This divergence is justified by the fact that the Company's policy regarding remuneration of members of the Bod and Management Team members is considered regular, consistent, stable and reasonable, and always adjusted to the current economic environment conditions and Group's performance. This policy is always sustained and applied by the BoD, in order to avoid cases of extortionate compensations, that don't coincide with the provided services and the general economic situation of the country.

Furthermore, the non-existence of a separate committee that manages the procedure of applying candidates for the election of the BoD members is explained by the fact that the applying for election candidates, from the establishment of the Company since today, meets all the necessary prerequisites and provides all the guarantees for being elected as members of the Board of Directors. They also stand out for their high professional brilliance, their knowledge, qualifications and experience. They are also of exceptional moral and personal integrity and therefore since today, there is no need for forming such a committee.

II. Size and composition of the BoD

- The BoD is not comprised from seven (7) to fifteen (15) members.

According to the Company's Articles of Association and in particular Article 11 paragraph 1 "the Company represented in court and out of court by its Board of Directors consisting of three (3) the minimum to nine (9) the maximum members." The organization and size of the Company

*These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek version will prevail over this document

does not justify the existence of a multitudinous board operation which would restrict the speed and flexibility needed to dynamically changing business environment.

- The BoD is not comprised in majority by non-executive members.

The existing BoD of the Company, consists today of six (6) members, three (3) of which are executive and the rest three (3) are non-executive members, in which two (2) independent and non-executive are included.

The present balanced composition of the BoD, has ensured during all the previous years the productive and effective operation of the Company.

The presence of two (2) independent, non-executive members of the BoD, ensures the needed objectivity and neutrality in the making of decisions, without any influences of psychological, professional, family or financial character from individuals conducting the management of the Company and act as a sufficient factor to the effective operation of the BoD.

The before mentioned divergence from this particular rule of the Corporate Governance Code, cannot be set in specific time frames, since the Company with its current structure and operation is not willing to comply immediately with this requisition, which is considered not to correspond with its needs, structure and operational organization.

- The policy of diversity, including the genders equilibrium of the BoD members, as this has been adopted by the BoD will be available at the Company's site. In the Corporate Governance Code a special statement should be included: a) regarding the diversity policy of the Company regarding the composition of the BoD and of the Management Team members and b) the percentage of each gender's representation respectively.

The present Board of Directors, and all previous compositions, consists of three (3) men and three (3) women ensuring the perfect balance between genders for its members. The diversity and balance among the members of the Board are not determined by specific written policies to be uploaded on the website of the Company.

III. Role and characteristics of the President of the BoD

- There is no specific discern between the President and the CEO.

This non-compliance is due to the fact that it is not considered as needed, given the structure and operation of the Company. If the Company's needs alter in the future, this matter of discernment of the Chairman and CEO will be reevaluated.

- The BoD does not appoint an independent Vice President arising from its independent Members.

This divergence has not a negative impact on the achievement of corporate aims that are defined and supported in the most effective way of existing members and existing responsibilities.

IV. Duties and conduct of the members of the BoD

- the BoD has not adopted as part of its internal rules, policies to ensure that the BoD holds enough information to make decisions regarding transactions between associated parties with

the diligence of a prudent businessman. These policies should also be applied during transactions of the subsidiaries of the Company with the associated parties.
Corporate Governance Statement should include a special report on the policies applied by the Company, regarding all the above-mentioned.
Although such a special and specific policy towards that direction does not exist, one that forms the framework for provision of sufficient information from the side of the BoD, in order for decisions for transactions between associated parties to be made under the diligence of a prudent businessman, the BoD while managing the Company's business issues and therefore also to transactions between the Company and its associated parties, has the diligence of a prudent businessman, in order for these transactions to be absolutely transparent and in accordance with the markets terms and conditions, but also in absolute compliance with the existing regulative law, as defined by the relevant regulations of the corporate and tax legislation. The same diligence is also shown regarding transactions of the subsidiaries of the Company with associated parties.
If it is considered necessary, the Company will proceed to the formation of a business unit that will define the procedures for guaranteeing and obtaining on behalf of the BoD, enough information, in order to base its decisions for transactions between associated parties, following the standard of the prudent businessman. Nevertheless, this particular moment and due to the vertically integrated structures of the Company such a need does not exist.
- There is no obligation for analytical disclosure of any professional bounds of the BoD members (including important non-executive bounds to companies and non-profitable organizations) before their appointment in the BoD.
This deviation is justified by the fact that the members of the BoD are distinguished for their high level of education, their professionalism and their concrete devotion to the Company, and therefore besides the absence of a statutory analytical disclosure of any professional bounds of the members of the BoD, prior their election to the Board, they would proceed to such a disclosure, if they considered that any danger of conflict of interests existed.

V. Nomination of candidates for the BoD

- there was no discrepancy in maximum terms of four (4) years incumbency of Board members According to Article 11 paragraph 3 of the Articles of Association: "The term of service of Board members is three years, to be postponed until the deadline within which to meet the next Annual General Meeting, which may not exceed four years" .
- There is no committee for selecting candidates for the BoD.
This deviation is justified by the size, structure and operation of the Company and its BoD at the time being, which do not make necessary the existence of such a committee for selecting candidates.
Besides that, every time before the election of a new BoD or new member, the Management of the Company, assures the existence and appliance of a transparent procedure, evaluates the size and the composition of the BoD or its members to be elected, examines the qualifications,

knowledge, views, skills, experience, morals and integrity of the candidates and therefore the mission of a committee for selecting candidates if that existed, is fully accomplished.

VI. Operation of the BoD

- There is no specific rule for the operation of the BoD.

This deviation is justified by the fact that the Company's Articles of Association and internal regulations are considered to be adequate for the organization and operation of the BoD and ensure the full, right and on time fulfillment of its duties and the satisfactory examination of all the matters upon which the BoD makes decisions.

- the BoD at the beginning of every calendar year does not adopt a calendar of convocations and a 12month program of actions, which is eligible to alterations, according to the Company's needs.

This divergence is easily understood by the fact that all the members of the BoD are residents of Attica and therefore the calling and convocation of the BoD is easy every time is required by the needs of the Company or law, without the existence of a strict pre-defined program of actions.

- There is no provision for the support of the BoD during its work by competent, specialized and experienced secretary, which will be present during the meetings.

This is justified by the fact that a state of the art technology exists to record and map the convocations of the BoD. Furthermore all BoD members have the ability, if it is considered necessary, to ask for support from the legal consultants of the Company, in order to ensure the compliance of the BoD with the existent legal and regulatory legislation.

It is noted that according to the new Corporate Governance Code, a high level employee or a legal consultant, can act as a secretary, whilst the purpose of the secretary is the provision of practical support to the chairman and to the rest of the members of the BoD, in person and as a whole, with aim the total compliance of the BoD with the legal and Memorandum regulations and provisions. The Company will examine in the near future, the need for such a secretary.

- There is no provision for existence of programs for the introductory information for the new members of the BoD or the constant education of the rest of the members.

This deviation is explained by the fact that as members of the BoD are proposed individuals with satisfactory and proven experience, high level of knowledge, as well as organizational and managerial skills. Besides that, the Group has as a basic rule the constant education and training of its employees and managers, but also the reinforcement of the corporate consciousness in all levels, by conducting frequently educational seminars according to the sector its member is working or the duties it is responsible for. Therefore the constant training and education is the philosophy of the Company regarding all of its operations and is not restricted to the level of the members of the BoD.

- There is no provision for the supply of sufficient resources to the committees of the BoD for the fulfillment of their obligations and for the hiring of external consultants to the degree they are needed.

This deviation is explained by the fact that the Management of the Company examines and approves such resources for the hiring of external consultants based every time on the needs of the company, for being able to control the operating expenses of the Company.

VII. Evaluation of the BoD

-The assessing of BoD and its committees effectiveness does not take place at least every two (2) years and not based on specific process. The Board does not asses the performance of the President in a process directed by the Vice President or other independent non-executive member, in no existence of independent Vice President.

During the current period does not exist an institutional procedure aiming to assess the effectiveness of the BoD and its committees neither is assessed the performance of the Chairman of the BoD, during a procedure directed by the independent vice-president, or even another non-executive member of the BoD in absence of the independent vice- President .

Such a procedure is not considered to be necessary due to the organizational structure of the Company, since there are no boundaries between the members of the BoD. Therefore whenever weaknesses or malfunctions concerning the organization and operation of the BoD are identified, meetings are conducted and analytical discussions are made, during which the problems are presented, critique is being made to decisions made and other actions or statements of all the members of the BoD take place. Besides, the BoD observes and re-evaluates regularly the implementation of their made decisions, based on time plans set, while the BoD is annually assessed by the Regular General Meeting of the shareholders of the company, conducted according to the regulations and the procedure described in detail in law 2190/1920 as well as to the Articles of Association of the Company.

The Company in order to comply with this particular rule the new Corporate Governance Code has introduced, is currently in a procedure of examining the necessity of introducing a system of control and evaluation of the BoD, though the time frame of its completion cannot be accurately defined.

Part B- Internal Audit

I. Internal Control – Audit Committee

- There is no special and specific rule for the operation of the audit committee

This divergence is explained by the fact that the basic duties and responsibilities of the audit committee are adequately described by the existing legislation. Therefore the Company does not consider necessary at the present time the formation of a specific internal rule for the operation of the above-mentioned committee, since what comes first is the adherence of the existing legislation.

- The audit committee does not convene at least four (4) times per year

This deviation is explained by the call and meeting of the audit committee when substantial matters regarding the procedure of financial information and credibility of the financial reports of the Company rise. Besides, the aim is the conducting of meetings with purpose, where is monitoring the effectiveness of internal audit procedures and management of the risks the Company, the regular examination of its internal audit system, the management of conflict of interests while conducting transactions with associated parties and to obtain sufficient information regarding the Company's financial performance. However, the internal audit informs the Company's BoD, four times a year in accordance with the law, of the results of its audit. It should be pointed out in this regard that neither the recent Law 4449/2017, which also refers to the Audit Committee and which comes from relevant Community legislation, contains any provision for the minimum number of meetings of the Commission per year.

- No specific funds are given out to the committee for the use of external consultants.

This deviation is justified by the current composition of the audit committee and the special knowledge and experience of its members, which ensures the correct and effective operation of the committee in a sufficient way. Therefore the external service of consultants is not considered to be necessary.

In any case, if it considered to be necessary, in order to improve the structure and operation of the committee, it is implicit that the Company will provide the budget needed.

Part C- Compensation

I. Level and structure of the compensation

- there is no committee of compensation, comprising exclusively of non -executive members, independent in their majority, which aims at defining the compensation of the executive and non-executive members of the BoD and thus there are no rules for the tasks of this committee, the frequency of its convocations and other issues concerning its operation.

This divergence is explained by the way the Company is structured and organized, a way that does not require the establishment of such a committee. Until today the Management of the Company redacts the procedure of defining the compensation and ensures this procedure is characterized by objectivity, transparency, professionalism and is deprived by any conflicts of interest. Regarding the specification of compensation of the BoD members, executive and non-executive ones, the Management of the Company, acts with the principle of creating a long-term company value, the sustainability of balance and meritocracy, for the shill of executives, that have the needed qualifications for the effective operation of the Company.

The BoD, while defining the compensation of the BoD members and especially for the executive ones, takes into consideration the duties and responsibilities, their performance in relation to pre-defined quantitative and qualitative criteria, the economic environment, the performance and future prospects of the Company, the level of compensation for similar services in other relative companies, as well as the level of compensation of the Company's and Group's employees.

From the above described procedure for determining the remuneration of the Board members, executives and non-executives it arises that the formation of such a specific committee is not necessary, since the duties and responsibilities of such a committee are efficiently performed by the management of the Company.

- in the contracts of the executive members of the BoD, there is no provision that the BoD may ask for part or full refund of the bonuses paid due to the revised financial statements of previous years or in general wrong financial data that were used to calculate such a bonus.

This is explained by the fact that rights for bonuses rise, only after the final approval of financial statements. Also since today, because of the state of the art organization and auditing procedures, the phenomenon of a bonus calculation based on inaccurate financial statements and data has never occurred.

However, and for purposes of compliance with that Corporate Governance Code requirement, the Management of the Company is seriously considering importing to the relevant contracts of the executive members of the Board, provision for the right of the Board to require the return of all or part of the bonus that is awarded because of misconduct or false financial statements and other financial data.

- The compensation of every executive member of the BoD is not approved by the BoD after the proposal of the audit committee, without the presence of its executive members

This divergence is explained by the fact that such a committee does not exist.

Part D - Relationship with shareholders

I. Communication with shareholders

- The Company has not adopted a special practice regarding communication with its shareholders that includes the policy of the Company for questions made from shareholders to the B.o.D.

At this particular time, an established special procedure regarding questions made by shareholders to the BoD does not exist, since every shareholder has the ability to address the Investor's Relation Service, making requests and questions. In case it is considered necessary, these are transferred in groups to the BoD for further processing and the relative answer or update is given to the interested party.

Moreover the rules of article 39 of the law 2190/1920, describe in a detailed way the procedure of participation of the shareholders of minority to the General Assemblies of the Shareholders, a procedure always followed in every General Assembly, in order to ensure the valid and on time information of the shareholders, in relation to the evolvement of the corporate issues.

Despite all the above-mentioned safeguards, the Company examines the possibility of adoption of a special policy, for upgrading the procedure for shareholders setting questions to the

Company, through the Investors Relation Service, although the direct communication of shareholders with BoD members is not considered to be necessary and appropriate.

II. The General Assembly of the share holders

- No deviation was observed

General Note regarding the time point of release of the non-compliance of the Company with the special practices adopted by the new CGC

As it was mentioned before (Introduction of Corporate Governance Statement), the new CGC, as it stands from October 2013 follows the "comply or explain" rule and demands from the listed companies that choose to apply it, to publish their intention and either comply with the whole of the special practices of the Code, either explain the reasons for non-compliance with certain special practices.

Furthermore, the relevant explanation for non-compliance, is not only restricted to a simple mention of the general principle or the special practice with which the Company does not comply, but among others the Company should disclose whether this divergence is time framed and its intentions to comply with the codes principle.

The divergences of the Company from the practices established by the new CGC are not thought to be subject to a strict time-frame, taken into consideration that these practices do not correspond to the structure, organizational structure, tradition, corporate values and ownership status and needs of the Company and maybe the compliance with these practices makes more difficult the application of the substance of the code's principles.

In any case, no code can or is supposed to substitute the context of principles, values and structure of any Company and therefore the adoption of rules not compatible with these principles are not reasonable.

Nevertheless, the Company has already formed a working group, that examines the existing divergences from the special practices of the new CGC, investigates the possibility of compliance with these and evaluates the possibility of establishment of its own Corporate Governance Code, the identity and regulations of which, will respond to the needs and specificities of the Company. This would promote the long term success and robust the competitiveness of the Company. After the resolution of the new law for Corporate Governance the conditions will be suitable for the completion of that project.

1.3 Practices for corporate governance that the company applies over the provisions of the law

The company abides to the provisions of the text as in its legal framework concerning corporate governance. There are no practices applied over the above mentioned.

2. Board of Directors

2.1 Composition and Services of the BoD

2.1.1 The company's BoD is composed, according to article 11 of the Articles of Association of the company, of three (3) up to nine (9) members, which are elected by the General Assembly of the Shareholders by absolute majority of the votes, which are represented in the Assembly.
The members of the BoD may be Shareholders of the company or other natural entities (non-shareholders). The members of the BoD are unlimitedly re-electable and freely revocable from the General Assembly irrespective of the time their service ends.
The service of the BoD members is three (3) years, that start the following date of the election of the BoD and expiring the relevant date of the third year. In case upon the expiration of their service an new BoD has not been elected, their service is extended up to the first ordinary General Assembly which shall be converged upon the expiration of their service, which in no case can supersede four years. Each member has to participate in the deliberations of the BoD.
Each member of the BoD has to keep confidential the confidential information of the company, which he may know thanks to his capacity.
2.1.2 The BoD convenes at the registered office of the company whenever the law, the Articles of Association or the needs of the company demand it after the invitation of its President or his replacement. In the invitation the agenda has to be clearly stated, or else decisions can only be made when all the members of the BoD are present and no one controverts the decision making. The BoD can convoke outside its registered seat, in another place, in or out of the country, if in the convocation all the members of the BoD are present and no one controverts the realization of the convocation and the decision making. The BoD may convoke via teleconference. In this case the invitation to the members of the BoD must include all the necessary information concerning their participation in the convocation. In the convocations of the BoD its President or his legal representative presides.
2.1.3 The BoD has quorum and dully convokes, when the 50% plus one (1) of the directors is present and represented. In no case however the number of the Directors who appear in person, may not be less than three (3).
2.1.4 The BoD decides with the absolute majority of the present or represented members. In case of halved votes the vote of the President does not dominates. Every Director has one (1) vote. Exceptionally may have two (2) votes when represents another director. The voting in the BoD is apparent, unless by its decision is defined that for a specific matter secret voting will be conducted, in which case the vote shall be by ballot.
2.1.5 The discussions and decisions of the BoD are kept in the minutes which are registered in a special book of minutes which can be kept by the software system. After the request of a Board member, the President is obliged to record to the minutes, accurate summary of his opinion. In the minutes is posted also a list of the present or represented directors during the convocation of the Board. Copies of minutes of meetings of the Board for which a registration requirement in the Companies Registry pursuant to Article 7a of Law 2190/20 as applicable, shall be submitted to the competent supervisory authority within twenty (20) days of the meeting of the Board. The minutes of the Board shall be signed by the President or if he is

incapacitated from legal substitute. Nobody consultant cannot deny signing the minutes of meetings took place , but is entitled to request indicating the opinion in the minutes if they disagree with the decision taken . However, the non- signing of the minutes of the meeting by stander involves no nullity of the decision taken legally if the refusal to sign is referred. Copies and extracts of the minutes of the Board shall be authenticated by the Chairman or if he is incapacitated from legal substitute without requiring other validation.

2.1.6 The BoD may appoint some or all of its powers and jurisdictions (apart from those that require collective decision) and its representation to one or more persons, that may or may not be its members, also defining the extent of this appointment.

2.1.7 If possibly any member of the BoD, departs or deceases or is declared fallen for any reason before the expiration of its service, the remaining directors of the BoD, so long as they are at least three (3), are obliged to elect a replacer for the remaining of the service of the member who is replaced on condition that the replacement is not feasible from alternate members, who have been elected by the General Assembly. The above election by the Board shall be taken by the remaining members if they are at least three (3) and is valid for the remaining of the duty of the member being replaced. The decision of the election must be published according to the Article 7b of Law 2190/1920 and announced by the Board of Directors at the next General Assembly, which can replace the elected, even if it is not relevant item on the agenda.

2.1.8 If possibly any member of the BoD departs or deceases or is declared fallen for any reason before the expiration of its service, the remaining members may continue the management and representation of the company without replacing the fallen members, according to the previous paragraph, with the prerequisite that they are over the half members, as they were before these facts. In any case the members cannot be less than three (3).

2.2 Information concerning the members of the BoD

2.2.1 The BoD of the company consists of six members and has the following members:

I) Nestor Papathanasiou, President of the BoD and CEO, executive member

II) Alkistis Papathanasiou, executive member

III) Katy Andreou, executive member

IV) Electra Papathanasiou, non-executive member

V) Michalis Chatzis, independent, non-executive member

VI) Christos Poulis, independent, non-executive member

The above mentioned BoD was elected by the annual ordinary Shareholder Meeting of the company, which took place on June 24th 2015 and its service is three years long lasting until June 23th 2018.

The above-mentioned BoD was re-assembled as a body, during its meeting on the 24th of June 2015, and this has been announced by the Ministry of Finance with number 76173/16.07.2015.

2.2.2 The brief resumes of the members of the BoD are:

I) Nestor Papathanasiou: Born in 1941.

Graduate of the Chemistry University of Athens, holder of the two years' postgraduate in the Economy University of Business Administration and business.(A.S.O.E.E.). He has many years of professional experience in the area of production, sales and marketing, working experience in the selling of chemicals products since 1978.

II) Alkistis Papathanasiou: Born in 1969.

Graduate of the Chemistry department of the Thessaloniki University. She is responsible of the Quality Assurance Department.

III) Katy Andreou: Born in 1967.

She is head Manager of sales department. Graduate of the Chemistry department of Athens University.

IV) Electra Papathanasiou: Born in 1975.

Graduate of the English college with many years of professional experience in Logistics and customers service.

V) Michalis Chatzis: Born in 1952.

Chemical engineer with Post graduate studies (M.S.C.) in operations research – Aston University of Birmingham, American Purchasing & Inventory control society Certificate. He has many years of professional experience as a director of Logistics, Property manager and operations manager of Greek and multinational major companies.

VI) Christos Poulis: Born in 1948.

He is Graduate of Panteion University. He has been Director of human resources on a large multinational company and member of its BoD for 25 years.

2.3 Audit Committee

2.3.1 The company in compliance with the Law 3693/2008 has set up an Audit Committee including comprising of the following members:

1) mrs. Electra Papathanasiou, non-executive member
2) mr.Michalis Chatzis, independent, non-executive member
3) mr. Christos Poulis, independent, non-executive member

2.3.2. In 2017, Law 3693/2008 was replaced by Law 4449/2017 (Government Gazette A 7 / 24.01.2017) "Compulsory audit of annual and consolidated financial statements, public oversight of audit work and other provisions". According to the new law, with respect to the Audit Committee, its members are independent of the Company, on the basis of the definition of independence provided for in the provisions of Law 3016/2002 on Corporate Governance, and the supervision of compliance with the provisions related with the said Commission, is now exercised by the Hellenic Capital Market Commission. The Company is expected to adapt directly to the provisions of the new law, where adjustment is required.

2.3.3 The responsibilities and duties of the Audit Committee, in conjunction with Article 44 of Law 4449/2017, consist of the following:
a) Inform the Company's Board of Directors of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of the financial information and about the role of the audit committee in the process,
b) Monitor the financial reporting process and make recommendations or proposals to ensure its integrity,
c) Monitor the effectiveness of the company's internal control, quality assurance and risk management systems and, where applicable, its internal control department, with regard to the financial information of the company, without violating its independence,
d) Monitor the statutory audit of the annual and consolidated annual financial statements, and in particular its performance, taking into consideration any findings and conclusions of the competent authority (in this case the Accounting Standards and Audit Committee);
e) Review and monitor the independence of certified auditors or audit firms and, in particular, the appropriateness of providing non-audit services to the company; and
f) is responsible for the selection process of the certified auditors or audit firms and proposes the certified auditors or the auditing firms to be appointed.

2.3.4 Mission of the Audit Committee is ensuring the efficiency of the company's proceedings affairs, the control of the credibility of the financial information that is provided to the investing public and the shareholders of the company, the compliance of the company with the laws, the safeguard of investments and assets of the company and the detection and confrontation of the most important risks.
2.3.5 The audit committee during 2016 (01.01.2016-31.12.2016) convened four (4) times.
2.3.6 It is also clarified that the Auditor of the company who audits the annual and interim financial statements, does not offer any other auditing or other service to the company, or is connected to the company so his objectivity ,impartiality and independence. This with the exception of special tax auditing, that is required by article 65 A N.4174/2013, upon which the "Annual Tax Certificate" is issued.

3. General Assembly of Shareholders

3.1 Way of operation of the General Assembly and its basic Authorities

3.1.1 The General Assembly is the supreme body of the Company and is entitled to decide for any company matter and to conclude upon all matters, which are submitted or said.
More specifically it is exclusively competent to decide upon:
a) The amendments of the articles of association. As amendments are meant also the increases or decreases of the capital share, apart from the cases are mentioned in article five (5) paragraph 1 of the Articles of Association and other cases that are enforced by law,

b) The election of Auditors,

c) The approval or reforming of the balance sheet and the annual financial statements of the Company,

d) The distribution of annual profits,

e) The merge, fracture, conversion, revival of the Company,

f) The conversion of shares into public limited,

g) The extension or abbreviation of the duration of the company,

h) The dissolution of the Company and the appointment of liquidators,

i) The appointment of members of the BoD, apart from the case of article 12 of the present and

j) The approval of the election according to article 12 of the Articles of Association, the temporary members replacing the members that resigned, passed away of have fallen out of their position.

3.1.2 The decisions of the General Shareholders Meeting are obligatory for the shareholders that are absent or disagree.

3.1.3 The General Assembly is always convened by the BoD and convenes regularly at the seat of the company or in the district of the seat of the company, at least once in every business year and always in the first semester from the expiration of the business year. The General Assembly may convene at another place in Greece or abroad when the Assembly present or represented shareholders are representing the entire share capital with voting rights and one of them is opposed to the held of the meeting and decision making. The General Assembly may convene in the district of the municipality where the seat of the Athens Stock Exchange is.

The BoD may convene an extra ordinary Shareholders Meeting when it considers it is fit or if the shareholders that represent the required (by the law or the Articles of Association) percentage.

3.1.4 The Shareholder Meeting, with the exception of the repeating Meetings and those that simulate it, must convene twenty (20) days at least before its date including the non-working days. The date of publication of the invitation and the day of the General Assembly are not calculated.

In the invitation to the General Assembly, the date, year, day time and place of the General Assembly must be determined, the matters of the agenda, the shareholders that have the right to take part in the Shareholder Meeting as well as accurate directions of how to take part in Shareholder Meeting and exercise their rights in person or via representative or even from a distance. An invitation for the General Assembly is not required when the shareholders that are represented represent the total of the share capital and none of them contradict its realization and the making of decisions.

3.1.5 The Shareholder Meeting has a quorum and duly convokes in the matters of the agenda when in the said shareholders who represent one fifth (1/5) at least of the paid capital share are represented.

If such quorum is not achieved the General Assemble converges again in twenty (20) days from the date of the meeting which was cancelled since is invited for that purpose ten (10) at least days earlier. The said repetitive meeting duly convokes for the matters of the initial agenda no matter what percentage of the share capital represented is.

3.1.6 The decisions of the General Assembly are taken by absolute majority of votes, which are represented.

Exceptionally, when it concerns decisions regarding: a) the alteration of the Company's nationality, b) the alteration of the Company's registered office, c) the alteration of the purposed or object of the Company's business, d) the alteration of the Company's shares to public limited, e) the increase of the obligations of shareholders, f) the increase of share capital, with the exception increases of Article 5 of the Statute or imposed by law or done by capitalization of reserves or decrease of the share capital, except if is done in accordance with paragraph 6 of article 16 of Codified Law 2190/20 as applicable, g) the issuance of Bond Loans according to articles 3a and 3b of 2190/1920, h) the alteration of the mode of distribution of profits, i) the merging, dispersion, alteration, revival of the company, ja) the extension or reduction of the duration of Company, jb) the company's dissolution, jb) the giving or renewing of authority to the BoD for increase of share capital according to par. 1 art. 13 of 2190/1920, and jc) every other case for which the law determines, the General Assembly has a quorum and duly convokes when shareholders representing two thirds (2/3) of the paid share capital are represented.

3.1.7 The President of the BoD or when he is hindered his lawful replacer presides temporarily in the General Assembly and defines as secretary one (1) of the shareholders who are present, until the list of shareholders is certified by the General Assembly, who are entitled to participate in the Assembly. After this control, the General Meeting begins its work and by vote elects the regular Bureau and a Secretary who shall act as vote- teller.

3.1.8 The discussions and the decisions of the General Assembly are restricted to the mattes of the agenda. The agenda is drawn by the BoD and includes the proposals of the BoD towards the Assembly, as well as proposals of auditors or shareholders towards the Assembly, who represent the one twentieth (1/20) of the paid Share Capital. The discussions and decisions of the General Assembly are registered in a special Book (Book of Minutes) and the relevant minutes are signed by the President and the Secretary of the Assembly.

Upon request of shareholder, the President of the Assembly is obliged to register in the minutes an accurate summary of shareholders' opinion. In this book is recorded and a list of present or represented at the General Assembly issued according with article 26 of the Statute. If in the General Assembly one (1) shareholder is present, the assembly is also attended by a Notary who countersign its minutes.

3.2 Shareholder Rights

3.2.1 Rights to participate and vote

3.2.1.1 The shareholders exercise their rights, concerning the management of the company, only in General Assemblies and according to the law and the Articles of Association. Each share gives the right for one vote in the General Assembly according to Law 2190/1920 as it stands today.

3.2.1.2 In the General Assemble anyone who appears as a shareholder in the Dematerialized Securities System which is managed by Athens Stock Exchange S.A. has a right to participate. The proof of shareholders identity is established by the relevant written assurance of the above mentioned organization or by direct electronic connection of the Company with the organization.

The person must be a shareholder five (5) days before the General Assembly (record date), and the relevant receipts or the electronic receipts concerning the shareholding capacity must come to the company at the latest the third (3) day before the General Assembly.

3.2.1.3 In the General Assembly only those who are shareholders in the said date have a right to participate in the General Assembly. In case of noncompliance to article 28a of the law 2190/1920, the said shareholder participates in the General Assembly only after its license.

3.2.1.4 The fulfilling of the above mentioned rights does not require the prior bound of the shareholders' shares or any other procedure that limits the possibility of selling or transferring shares in the time between the record date and the date of the General Assembly.

3.2.1.5 The shareholder participates in the General Assembly and votes either in person or via proxies. Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Assembly appointing as proxies up to three natural entities. However, if the shareholder owns shares of the company that appears in more than one account, he may appoint different proxies. A proxy that acts on behalf of different shareholders may vote differently for each shareholder. The proxy must inform the Company before the beginning of the General Assembly, any fact that may be useful to assess the risk that the proxy may cater to interests other than the represented shareholder. A conflict of interests regarding this paragraph may rise when the proxy: a) is a shareholder controlling the Company, or another legal entity controlled by the particular shareholder, b) is a member of the BoD, or the management team of the Company, or a shareholder that controls the Company, or another legal entity controlled by a shareholder, which controls the Company, c) is an employee or auditor of the Company, or a shareholder that controls the Company, or another legal entity controlled by a shareholder, d) is a spouse or a first degree relative with one of the entities that are mentioned above in cases (a) to (c)

The appointment and reverse of a proxy takes place in writing and is announced to the company at least three (3) days before the date of the general Assembly.

3.2.2 Other rights of shareholders

3.2.2.1 Ten (10) days before the general Assembly each shareholder may take from the Company copies of the Annual Reports and the Reports of the BoD and the auditors. These documents should be submitted on time to the Company's Office, by the BoD.
3.2.2.2 Upon application of Shareholders that represent the one twentieth (1/20) of the paid capital, the BoD is obliged to convene an extra- ordinary General Assembly. The day of the Assembly must not abstain more than forty five (45) days from the date that the application was served to the Chairman of the BoD. The application must also contain the matters that are going to be discussed. If the General Assembly is not convened after twenty (20) days from the relevant application, the Assembly is convened by the shareholders with the expense of the company by decision of the First Instance Court of the headquarters of the Company, issued in the process of interim measures. This decision shall state the time and place of the meeting and the agenda.
3.2.2.3 By application of the shareholders that represent one twentieth (1/20) of the share capital, the BoD is obliged to add additional matters in the agenda that has already convene, if the relevant application comes to the BoD at least fifteen (15) days before the general Assembly. The additional matters have to be published, under the responsibility of the BoD, according to art. 26 of the law 2190/1920, seven (7) days at least before the General Assembly. If these matters are not published, the shareholders applicants may ask for the postponement of the General Assembly, according to paragraph 3 of article 39 of the law 2190/1920 and may also proceed to publish it themselves as stated before, with Company's expenses.
3.2.2.4 Upon application of the one twentieth (1/20) of the paid share capital, the Chairman of the General Assembly is obliged to postpone only once the taking of the decisions of the ordinary or extra- ordinary General Assembly and defines as date of the decision making the date mentioned in the application of the shareholders. The said date may not abstain more than thirty (30) days from when the postponement was granted. The adjourned General Assembly is a continuation of the previous one and does not require repetition of the formalities of publication of shareholders, and it may be attended by new shareholders, subject to the provisions of Articles 27 § 2 and 28 of the Law 2190/20 as applicable.
3.2.2.5 After an application of any shareholder, submitted to the Company at least five (5) days prior the General Assembply, the BoD has to present to the General Assembly the necessary information for the affairs of the company to the point that they are useful for the true estimation of the matters of the agenda.
3.2.2.6 Upon application of the one twentieth (1/20) of the paid share capital, which msut be submitted five (5) days before the General Assembly, the BoD must announce to the General Assembly, if it is ordinary, the amounts that in the last two years have been paid for any reason

to the members of the BoD or its Directors or other employees as well as any other contract that was drawn up with the same persons. The BoD is required to give out such information if it is useful for the assessment of the matters of the agenda. The BoD may decline to give out such information and post in the minutes the relevant reason. Such reason may be, under the circumstances, the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Codified Law 2190/20 as amended.

3.2.2.7 Upon application of the one fifth (1/5) of the paid share capital, which is submitted within the deadline of the previous paragraph, the BoD has to offer the General Assembly information regarding the course of company affairs and the assets of the company. The BoD may decline to give out such information and post in the minutes the relevant reason. Such reason may be, under the circumstances, the representation of the requesting shareholders to the Board in accordance with paragraph 3 or 6 of article 18 of Codified Law 2190/20 as valid if the respective members of the Board of Directors have received the relevant information in a sufficient manner.

3.2.2.8 In cases of § 3.2.2.5 and § 3.2.2.7 of this section, any dispute as to the correctness or otherwise of the reasons for refusal to provide information, is resolved by the First Instance Court of the Company's seat, with Decision issued by the proceedings for interim measures. In the same judgment the Court obliges the company to provide the information refused.

3.2.2.9 Shareholders of the company, that represent at least one twentieth (1/20) of the share capital have the right to ask for the control of the company from the Court of First Instance of the district in which the company has its registered address, in the ex parte proceedings. The control is ordered if are suspected actions that violate the provisions of the Laws or Articles of Association or resolutions of the General Assembly. In any case the request for control must be submitted within three (3) years from the approval of the financial statements for the year in which the alleged acts took place.

3.2.2.10 Company Shareholders representing one fifth (1/5) of the paid share capital, have the right to ask the control of the company by the First Instance Court of the district in which the company is located, as long as from the overall course of the Company it is believed that the administration of corporate affairs is not exercised according to the sound and prudent management.

3.2.2.11 In all cases of this section, the shareholders who ask for control must prove their shareholder status and the number of shares they held during the exercise of the right.

4. System of Internal Control and Risk Management

4.1 Main characteristics of the Internal Control

4.1.1. The Internal Control of the company is conducted by the Service of internal control according to the programmed control included in the Internal Rulebook of the company.

It is noted that the control on the base of which the relevant report is drawn up within the law 3016/2002, as it stands, and specifically in accordance with Articles 6, 7 and 8 of this law as well as Decision 5/204/2000 of the Hellenic Market Committee, as it stands after its alteration by the Decision of the BoD of the Hellenic Market Committee no 3/348/19.7.2005.

4.1.2 During the auditing the Service of Internal Control takes into account all the necessary books, files, bank accounts and portfolios of the company and asks for the complete and constant cooperation of the Management to ensure that all the necessary information and data provided, with the purpose to reach conclusions in their Report, does not entail substantial inaccuracies. This control does not include any assessment of the appropriateness of the accounting principles that were adopted as well as the estimations made from the management as these are a matter of the legal auditor of the Company.

4.1.3 The scope of control is the evaluation of the general level of the procedures of the system of internal control. In any controlled period several scopes of control are chosen, while the organization and operation of the BoD is constantly controlled as well as the Service of Servicing Shareholders and Investor Relations that operate based on the law 3016/2002.

4.1.4 It is noted though, that the Internal Control and Risk Management systems, provide reasonable and not absolute security, due to the fact that they are designed to restrict the possibility of the upcoming risks, without being able to completely eliminate them.

4.2 Risk management concerning the financial statements (company and consolidated)

The Group has invested in the development and maintenance of advanced IT infrastructures that through a series of safeguards ensure the correct display of figures. At the same time an analysis of the results is made on a daily basis covering all the important fields of business activity. The actual, historical and budgeted revenue and expense figures are compared with adequate explaining of all the important deviations.

5. Other managerial or supervisory committees of the company

No other managerial or supervisory committees exist at the time. According to all the above mentioned and in the context of creating its own Corporate Governance Code, the Company examines the case of establishing such committees that will help substantially and not typically the BoD.

SECTION I

Assessment for the evolution of the activities of the Company and the Group during 2017

The global growth in chemical production, with a marginal decline in 2014 and a significant recovery in 2015, largely due to China, coupled with economic conditions, is expected to continue at the pace of 2016.

Forecasts for the European recovery estimate that it is expected to continue at a slow pace. However, the Eurozone is not yet expected to quickly recover the level of GDP achieved in the first quarter of 2008, just before the onset of the financial crisis.

Efforts to exit the crisis will continue to curb the achievement of significant growth in southern Europe in the course of 2017. However, it is worth noting that more positive performance has been recorded in Spain and Portugal.

European economies outside the euro area have a lot of chances to record improved performance while the emerging countries of Eastern Europe and the Balkans are estimated to achieve a significant increase in their GDP. In the case of the United Kingdom, any effects from the post-accession process will be expected.

The chemical industry of the European Union passed a turning point in September 2013, closing slightly below the peak of 2012, while in 2014 and 2015 there was a downward trend at a moderate pace.

It is expected the gradual recovery of the EU chemicals industry to continue in 2017 the pace of the previous year, but, like the overall economy, at a moderate pace.

Further and more detailed prediction for the prospects of the market is hampered due the liquidity and volatility that prevail in the economic and social environment.

The Group's management continues to focus its efforts both to new openings and reach new shares due to the reorganization of the market, and the consistent effort and further cost containment.

Avlonas Attica, April 26th 2017

The asserting,

President of BoD and CEO	Executive BoD member	Executive BoD member
Nestor D. Papathanasiou	Alkistis N. Papathanasiou	Katy I. Andreou
ID card AB 606775	ID card AE 105490	ID card AB 237937

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of the Company «ELTON INTERNATIONAL TRADING S.A.»

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company «ELTON INTERNATIONAL TRADING S.A.», which comprise the separate and consolidated statement of financial position as of 31 December 2016, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and for such internal controls as management determines are necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing that have been incorporated into Greek legislation (G.G./B’/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company «ELTON INTERNATIONAL TRADING S.A.» and its subsidiaries as of 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Whereas management is responsible for the preparation of the Report of the Board of Directors and the Corporate Governance Statement included in this report, pursuant to the provisions of paragraph 5, article 2 (part B') of L. 4336/2015, we note that:

a) The Report of the Board of Directors includes a corporate governance statement which provides all the information set out in article 43bb of cod. L. 2190/1920.

b) In our opinion the Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of the articles 43a and 107A and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying separate and consolidated financial statements for the year ended 31.12.2016.

c) Based on our understanding obtained when performing our audit of the Company «ELTON INTERNATIONAL TRADING S.A.» and its environment, we have not identified any material misstatements in the Report of the Board of Directors.

Athens, 27th of April 2017

IOANNIS TH. SAVADIS

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No.33391

Associated Certified Public Accountants s.a.
member of Crowe Horwath International
3, Fok. Negri Street – 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

*These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek version will prevail over this document

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(Amounts in euro)

		GROUP		COMPANY	
	Note	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
ASSETS					
Non-current assets					
Tangible fixed assets	6	16.179.238	16.476.505	11.255.485	11.398.112
Intagible assets	7	2.769.619	2.908.998	2.657.895	2.817.988
Goodwill	8	712.150	712.150	0	0
Investments in Subsidiaries	9	0	0	12.882.361	12.191.326
Not consolidated investments in subsidiaries	9	425.000	1.066.035	425.000	1.066.035
Deferred tax receivables	10	216.167	35.337	178.245	0
Other non-current assets	11	79.523	126.975	59.280	57.902
		20.381.696	**21.325.999**	**27.458.265**	**27.531.362**
Current Assets					
Inventories	12	18.504.675	18.648.025	11.517.473	12.276.893
Trade Receivables	13	40.570.730	40.419.974	29.528.573	28.704.058
Other current assets	14	3.097.411	2.371.200	2.164.455	2.293.088
Cash and cash equivalents	15	6.040.849	5.492.326	5.301.231	3.450.156
		68.213.665	**66.931.524**	**48.511.732**	**46.724.194**
TOTAL ASSETS		**88.595.361**	**88.257.523**	**75.969.998**	**74.255.556**
EQUITY AND LIABILITIES					
Capital and reserves					
Share Capital	16.1	16.038.112	16.038.112	16.038.112	16.038.112
Share premium	16.1	133.417	133.417	133.417	133.417
Other reserves	16.2	3.956.707	4.187.211	3.421.203	3.275.363
Profits carried forward	16.2	29.110.588	26.793.500	25.202.230	23.690.646
Total shareholders' equity (a)		**49.238.824**	**47.152.240**	**44.794.962**	**43.137.538**
Non-controlling interests (b)		348.549	289.189	**0**	**0**
Total Equity (c) = (a) + (b)		**49.587.373**	**47.441.428**	**44.794.962**	**43.137.538**
LIABILITIES					
Long term liabilities					
Bond loans (interest bearing)	17	0	1.666.664	0	1.666.664
Long term Borrowings	17	2.663.154	0	2.262.653	
Provisions for employee benefits	18	479.451	442.473	479.451	442.473
Other provisions	19	267.847	251.083	245.496	245.496
Grants of assets	19	1.412.759	1.471.262	1.412.759	1.471.262
Deferred tax obligations	10	89.540	201.911	0	77.743
Other long-term liabilities		0	10.566	0	0
Total Long-term Liabilities		**4.912.752**	**4.043.959**	**4.400.360**	**3.903.637**
Short-term Liabilities					
Short-term Borrowings	17	18.128.721	19.587.810	15.251.806	15.028.912
Suppliers	20	12.296.388	13.479.930	8.233.759	9.011.034
Current tax liabilities	21	1.931.120	1.772.783	1.764.607	1.469.525
Other short-term liabilities	20	1.739.007	1.931.613	1.524.504	1.704.909
Total short-term Liabilities		**34.095.236**	**36.772.136**	**26.774.676**	**27.214.381**
Total Liabilities (d)		**39.007.988**	**40.816.095**	**31.175.036**	**31.118.018**
TOTAL EQUITY AND LIABILITIES (c) + (d)		**88.595.361**	**88.257.523**	**75.969.998**	**74.255.556**

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INCOME STATEMENT

(Amounts in euro)

		GROUP		COMPANY	
	Note	**1.1-31.12.2016**	**1.1-31.12.2015**	**1.1-31.12.2016**	**1.1-31.12.2015**
Turnover	**5.2**	**113.521.403**	**104.815.712**	**74.200.098**	**71.549.840**
Cost of Sales	**22**	95.498.769	88.344.792	62.304.855	60.335.758
Gross Profit		**18.022.635**	**16.470.920**	**11.895.243**	**11.214.082**
Other operating income	**24**	588.438	465.672	184.500	151.636
Distribution expenses	**23**	-9.533.043	-8.313.646	-6.353.427	-5.667.946
Administrative expenses	**23**	-3.558.904	-3.331.332	-2.412.890	-2.596.965
Other operating expenses	**24**	-527.938	-426.580	-15.639	-131.292
Profit before taxes,financing & investing results		**4.991.188**	**4.865.034**	**3.297.787**	**2.969.514**
Financial income		59.098	98.305	522	153
Financial expenses		-1.444.890	-1.346.740	-919.255	-819.261
Profit before taxes		**3.605.395**	**3.616.598**	**2.379.054**	**2.150.405**
Income Tax	**25**	-960.579	-918.435	-719.015	-653.125
Net Profit/(Loss) of period (A)		**2.644.816**	**2.698.163**	**1.660.039**	**1.497.280**
Attributable to:					
Owners of the parent		2.632.818	2.711.168	1.660.039	1.497.280
Non-controlling interests		11.998	-13.005	0	0
Other comprehensive income :					
Data that will not be reclassified subsequently to results					
Deferred taxes on assets due to correction in the tax rate (from 26% to 29%)		0	22.273	0	22.273
Actuarial profits / (losses) on defined benefit pension plans (*)		-3.683	-6.514	-3.683	-6.514
Deferred taxes of actuarial profits / (losses) of defined benefit pension plans (*)		1.068	1.889	1.068	1.889
Data that are reclassified subsequently to the results					
Rate influence from the conversion of financial statements of subsidiaries in foreign currency		-387.331	-120.252	0	0
Other comprehensive income after taxes (B)		-389.946	-102.604	-2.615	17.648
Total comprehensive income after taxes (A+B)		**2.254.871**	**2.595.560**	**1.657.424**	**1.514.929**
Attributable to:					
Owners of the parent		2.314.626	2.605.564	1.657.424	1.514.929
Non-controlling interests		-59.755	-10.004	0	0
		2.254.871	**2.595.560**	**1.657.424**	**1.514.929**
Depreciation of the period		**894.510**	**858.867**	**638.757**	**641.433**
Profit before taxes, financing & investing results and depreciation (EBITDA)		**5.885.698**	**5.723.901**	**3.936.544**	**3.610.947**
Profit after taxes per share -basic (in Euro)	**26**	**0,0985**	**0,1014**	**0,0621**	**0,0560**

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STATEMENT OF CHANGES IN EQUITY
(Amounts in euro)

GROUP	Share Capital	Difference from shares issued above par	Other reserves	Profits carried forward	Total	Non Controlling interests	TOTAL EQUITY
Balance at 1st January 2015	**16.038.112**	**133.417**	**4.104.457**	**24.270.690**	**44.546.677**	**0**	**44.546.677**
Net profit/(loss) of period	0	0	0	2.711.168	2.711.168	-13.005	2.698.163
Other comprehensive income	0	0	-123.253	17.648	-105.605	3.001	-102.604
Total comprehensive income	**0**	**0**	**-123.253**	**2.728.817**	**2.605.564**	**-10.004**	**2.595.560**
Regular Reserve	0	0	122.913	-122.913	0	0	0
Reserve of Grant by Law 3299/2004	0	0	83.094	-83.094	0	0	0
Acquisition of subsidiary	0	0	0	0	0	299.192	299.192
Balance at 31st December 2015	**16.038.112**	**133.417**	**4.187.211**	**26.793.500**	**47.152.240**	**289.189**	**47.441.428**
Balance at 1st January 2016	**16.038.112**	**133.417**	**4.187.211**	**26.793.500**	**47.152.240**	**289.189**	**47.441.428**
Net profit/(loss) of period	0	0	0	2.632.818	2.632.818	11.998	2.644.816
Other comprehensive income	0	0	-315.578	-2.615	-318.193	-71.753	-389.946
Total comprehensive income	**0**	**0**	**-315.578**	**2.630.203**	**2.314.626**	**-59.755**	**2.254.871**
Regular Reserve	0	0	151.716	-151.716	0	0	0
Reserve of Grant by Law 3299/2004	0	0	59.089	-59.089	0	0	0
Subsidiary capital increase	0	0	0	0	0	119.116	119.116
Consolidation of subsidiary	0	0	-125.731	-102.311	-228.041	0	-228.041
Balance at 31st December 2016	**16.038.112**	**133.417**	**3.956.707**	**29.110.588**	**49.238.824**	**348.549**	**49.587.373**

STATEMENT OF CHANGES IN EQUITY
(Amounts in euro)

COMPANY	Share Capital	Difference from shares issued above par	Other reserves	Profits carried forward	Total
Balance at 1st January 2015	**16.038.112**	**133.417**	**3.069.356**	**22.381.724**	**41.622.609**
Net profit/(loss) of period 1/1-31/12/15	0	0	0	1.497.280	1.497.280
Other comprehensive income	0	0	0	17.648	17.648
Total comprehensive income	**0**	**0**	**0**	**1.514.929**	**1.514.929**
Regular Reserve	0	0	122.913	-122.913	0
Reserve of Grant by Law 3299/2004	0	0	83.094	-83.094	0
Balance at 31st December 2015	**16.038.112**	**133.417**	**3.275.363**	**23.690.646**	**43.137.538**
Balance at 1st January 2016	**16.038.112**	**133.417**	**3.275.363**	**23.690.646**	**43.137.538**
Net profit/(loss) of period 1/1-31/12/16	0	0	0	1.660.039	1.660.039
Other comprehensive income	0	0	0	-2.615	-2.615
Total comprehensive income	**0**	**0**	**0**	**1.657.424**	**1.657.424**
Regular Reserve	0	0	86.751	-86.751	0
Reserve of Grant by Law 3299/2004	0	0	59.089	-59.089	0
Balance at 31st December 2016	**16.038.112**	**133.417**	**3.421.203**	**25.202.230**	**44.794.962**

CASH FLOW STATEMENT (indirect method)	GROUP		COMPANY	
amounts in euro	01/01-31/12/2016	01/01-31/12/2015	01/01-31/12/2016	01/01-31/12/2015
Operating Activities				
Profit before taxes (continuing operations)	3.605.395	3.616.598	2.379.054	2.150.405
Adjustments for:				
Depreciation and Amortization	893.260	857.617	638.757	641.433
Amortization of Grants	-58.503	-59.089	-58.503	-59.089
Provisions	1.495.100	1.182.906	1.133.295	918.413
Exchange Differences	-324.330	121.041	-12.729	2.772
(Gain) or Loss from Investing activities	4.233	110.268	1.229	122.720
Interest and similar charges	1.391.672	1.164.020	918.733	819.109
Working capital changes				
Decrease/(increase) of inventory	294.657	-2.301.415	759.420	-1.654.776
Decrease/(increase) of trade receivables	-1.993.595	-2.413.906	-1.684.531	-381.729
(Decrease)/Increase of liabilities (except loans)	-2.150.812	600.835	-1.637.574	1.010.975
Less:				
Interest and similar charges paid	-1.299.060	-1.020.041	-918.215	-697.147
Tax paid	-345.052	-286.284	0	-2.915
Total cash/(used in) generated from operating activities (a)	**1.512.967**	**1.572.551**	**1.518.937**	**2.870.171**
Investing Activities				
Acquisition of Subsidiary	0	-1.746.353	-150.000	-2.360.000
Purchase of Intagible Assets, Property	-538.871	-593.219	-337.266	-425.926
Sale of fixed and Intagible assets	9.063	7.426	0	3.600
Interest received	59.098	109.703	522	153
Total cash/(used in) generated from investing activities (b)	**-470.710**	**-2.222.444**	**-487.744**	**-2.782.173**
Financing Activities				
Proceeds from capital increase of non controlling interests	107.118	0	0	0
Proceeds from Borrowings	31.705.120	9.902.451	26.030.000	6.000.000
Repayment of Borrowings	-32.312.508	-4.925.151	-25.211.117	-3.068.852
Total cash/(used in) generated from financing activities (c)	**-500.271**	**4.977.300**	**818.883**	**2.931.148**
Net increase/(decrease) in Cash and Cash equivalents (a)+ (b)+(c)	**541.985**	**4.327.408**	**1.851.076**	**3.019.147**
Cash and Cash equivalents at the beginning of the period	**5.492.326**	**1.164.918**	**3.450.156**	**431.009**
Subsidiary consolidation	6.538	0	0	0
Cash and Cash equivalents at the end of the period	**6.040.849**	**5.492.326**	**5.301.231**	**3.450.156**

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1. General Information

ELTON CHEMICALS SA has been established in 1981 (Gov.3958/13.11.1981) and has General Commercial Reg. Number: 346001000. In 2002 the company changed its name from ELTON CHEMICALS Anonymous Trade Industrial Company (ELTON CHEMICALS SA) turned to ELTON INTERNATIONAL TRADING Anonymous Trade Industrial Company under name ELTON SA (Gov. 8469/8.8.2002). ELTON INTERNATIONAL TRADING COMPANY SA is licensed to practice Trade Representative Import and Export and has been registered with number 29945 in the Trade Representatives Register. Representative person for representative work is the President and Chief Executive Officer, Mr. Nestor D. Papathanasiou.

The web site address of the company is www.elton.gr

The composition of the Board of Directors is the following:

- Nestor D. Papathanasiou, President and CEO
- Alkistis N. Papathanasiou, executive member
- Katy I. Andreou, executive member
- Electra N. Papathanasiou, non-executive member
- Christos K. Poulis, non-executive independent member
- Michalis Chatzis, non-executive independent member

Main activity of the company is trading raw materials, additives, chemicals and other specialized products, which are mainly used as raw materials in various industries.

Part of Turnover comprises revenues from the sale of chemical products and services specifically in brokerage commissions from selling products companies represented by the company.

The consolidated financial statements of the company include the company and its subsidiaries (the Group). Subsidiaries are companies over which control is exercised by the parent.

Subsidiaries are fully consolidated (full consolidation) from the date that is taken control upon them and cease to be consolidated from the date that control ceases to exist.

The financial statements for the period January 1st – December 31st 2016 were approved by the Board of Directors on 26/4/2017.

2. Framework of the Financial Statements

2.1. Basis of Preparation of annual Financial Statements

The consolidated and simple financial statements of ELTON SA have been prepared under the historical cost and the going concern business (going concern) convention and are in accordance with International Financial Reporting Standards (IFRS) and the Interpretations of the Interpretations Committee of the International Financial Reporting Standards as they have been adopted by the European Union and IFRS that have been issued by the International Accounting Standards Board (IASB).

Due to the fact that the company is not affected by the provisions regarding portfolio hedging, which are not required by the adoption of IAS 39 which has been validated by the EU, these financial statements have been prepared in accordance with IFRS as adopted by the EU and IFRS as issued by the IASB.

The accounting policies used in the preparation and presentation of the annual financial statements are consistent with those used in preparing the financial statements at 31 December 2015.

The policies referred below have been applied consistently in all periods presented.

The preparation of financial statements in accordance with IFRS requires the use of estimations and judgments in applying the accounting policies of the Company. Important assumptions made by management in applying the accounting methods have been highlighted where appropriate.

2.2 Reclassification of prior year funds

There was no need to reclassify funds in the current financial year.

2.3 New standards, amendments to standards and interpretations

Application of new and amended International Financial Reporting Standards (IFRS) for the current fiscal year 2016.

New and amended IFRS that affect the amounts presented and / or disclosures in the consolidated financial statements

In the current year, the Group has implemented a number of new and amended IFRS and interpretations issued by the International Accounting Standards Board (IASB), which are mandatory in accounting periods beginning on or after January 1, 2016.

Amendments to IAS 19 Employee benefits - Defined benefit plans: employee contributions (effective for annual periods beginning on or after 1 February 2015 - IASB July 1, 2014)

The amendments apply to contributions from employees or third parties to defined benefit plans. The aim of the amendment is to simplify the accounting treatment of contributions that are independent of the number of years of service of employees, for example, for employees' contributions calculated according to a fixed percentage of the salary.
The implementation of these amendments has no significant impact on disclosures and / or the amounts recognized in the financial statements of the Group.

Circle of Annual Improvements to IFRSs 2012-2014 (effective for annual accounting periods beginning on or after January 1, 2016-IASB September 25, 2014- adopted by the European Union at 15 December 2015)
The Circle of Annual Improvements to IFRSs 2012-2014 makes amendments to the following standards:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
The amendment clarifies that switching from one disposal method to another (e.g. sale or distribution to owners) should not be considered as a new sales plan but a continuation of the original plan.
Therefore, there is no interruption in the application of the requirements of IFRS 5.
The amendment also clarifies that changing the disposal method does not change the date of classification.

IFRS 7 Financial Instruments: Notifications
Service provision after the transfer of financial assets.
If an entity transfers a financial asset under conditions that allow the transferor to derecognize the asset, IFRS 7 requires disclosure of all forms of continuing involvement that the transferor may have on the transferred assets. IFRS 7 provides guidance on what it means by "continuing involvement". The amendment has added specific guidance to help administrations determine whether the terms of a contract for servicing financial assets that have been transferred are "continuing involvement". The amendment gives the right (but not the obligation) retroactive application.

IAS 19 Employee Benefits - Employee Contributions
The amendment is effective for annual periods beginning on or after February 1, 2015. The amendment clarifies that the assessment of the existence of an active market of high quality corporate bonds is assessed on the basis of the currency in which the obligation is expressed and not on the basis of the country in which obligation. When there is no active market for high-quality corporate bonds in this currency, government bond rates are used.

IAS 34 Interim Financial Reporting

The amendment clarifies that the disclosure requirements of the interim financial statements must be either in the financial statements or incorporated by reference between the interim financial statements and the point where they are included in the interim financial report (e.g. in the Management Report). It is also clarified that other information, within the interim financial report, must be available to users on the same terms and at the same time as the interim financial statements. If users do not have access to other information in this way, then the interim financial report is incomplete.

IFRS 10, IFRS 12 and IAS 28 (Amendments) –Investment Companies: Application of consolidation exclusions

On 18th December 2014, the Council adopted amendments to IFRS 10, IFRS 12 and IAS 28 on matters arising in the context of the application of the Consolidation Exclusions for Investment Companies. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application allowed, and have not been adopted by the European Union.

IAS 1 (Amendment) "Presentation of Financial Statements" - Disclosure Initiative

The amendments to IAS 1, adopted by the Council on 18th December 2014, clarify that materiality applies to all financial statements and that the inclusion of insignificant information in them may impede the usefulness of disclosures. In addition, the amendments clarify that business should use their professional judgment by determining where and in what order the information is presented in the disclosures in the financial statements. It also clarifies issues relating to the subtotals and the presentation of the other comprehensive income arising from investments accounted from using the equity method. The amendment is effective for annual periods beginning on or after 1 January 2016 and adopted by the European Union on 18 December 2015.

IAS 16 and IAS 38 (Amendments) Clarification of Acceptable Methods of Depreciation and Amortization

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

The above condition does not apply when the intangible asset is expressed as a measure of revenue or when it can be proven that the income and the consumption of the economic benefits accruing from the intangible asset are closely related.

The amendment is effective for annual periods beginning on or after 1 January 2016 and adopted by the European Union on 2 December 2015.

IAS 16 and IAS 41 (Amendments) - Agriculture: Bearer Plants

The amendments bring bearer plants, which are used solely to increase production, within the scope of IAS 16 so that they are accounted for in the same way as fixed assets.

The amendments are effective for annual periods beginning on or after 1 January 2016, with the earliest application allowed, and adopted by the European Union on 23 November 2015.

IAS 27 (Amendment) "Separate Financial Statements" - Method of Equity in Separate Financial Statements

The amendment to IAS 27 adopted by the Board on 12 August 2014, allows an entity to use the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. This is an accounting policy option for each investment class. The amendment is effective for annual periods beginning on or after 1 January 2016 and adopted by the European Union on 18 December 2015.

IFRS 11 (Amendment) "Joint Arrangements" - Accounting management of share acquisition in a joint venture

The amendment clarifies that an investor applies the "acquisition" method when acquiring a holding in a joint venture. The amendment is effective for annual periods beginning on or after 1 January 2016 and adopted by the European Union on 24 November 2015.

The application of these amendments does not have a significant effect on the disclosures and / or amounts recognized in the Group's financial statements.

Standards and Interpretations mandatory for subsequent periods not previously applied by the Group

The following new standards, amendments to standards and interpretations have been issued but are mandatory for subsequent periods. The Group has not applied the following standards earlier and is studying their impact on the financial statements.

IFRS 9 Financial Instruments

On 24 July 2014, the Council adopted the final version of IFRS 9, which includes classification and measurement, impairment and hedge accounting. The standard will replace IAS 39 and all previous versions of IFRS 9. Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income based on the enterprise's business model for the management of financial assets and contractual cash flows of financial assets. Besides the credit risk of the entity, the classification and measurement of financial liabilities has not changed in comparison with the existing requirements. The Group is in the process of assessing the impact of IFRS 9 on its financial statements. IFRS 9 is mandatory for annual periods beginning on or after 1 January 2018 and adopted by the European Union on 22 November 2016.

IFRS 15 Revenue from contracts with customers

On 28 May 2014, the IASB issued IFRS 15 "Revenue from contracts with customers" and including amendments to the standard issued on 11 September 2015 is mandatory for annual periods beginning on or after 1 January 2018 and is the new revenue recognition model. IFRS 15 replaces IAS 18, IAS 11 and Interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31. The new standard establishes a five-step model that will apply to revenue arising from a customer contract (with limited exceptions), regardless of the type of revenue transaction or industry. The requirements of the Standard will also apply to the recognition and measurement of gains and losses from the sale of certain non-financial assets that are not produced by the entity's ordinary activities (e.g., sales of property, plant and equipment or intangible assets). Extensive disclosures will be required, including an analysis of total revenue, information on performance obligations, changes in contract assets and contractual obligations between periods, and key judgments and estimates will be required. IFRS 15 was adopted by the European Union on 22 September 2016.

Clarifications to IFRS 15 "Revenue from Contracts with Customers"

In April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the basic principles of the Standard but provide clarification as to the application of those principles. The amendments clarify how an engagement commitment is recognized in a contract, how it is determined whether an entity is the principal or the trustee, and how it is determined whether the income from the grant of a license should be recognized at a particular time or over time. The Group will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. The amendment is applicable for annual periods beginning on or after 01/01/2018 and has not adopted by the European Union.

IFRS 16 Leases

On 13 January 2016 the IASB issued IFRS 16 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that reasonably discloses the substance of transactions in leases. IFRS 16 introduces a single model for the accounting treatment by the lessee which requires the lessee to recognize assets and liabilities for all lease agreements with a maturity of more than 12 months unless the underlying asset is of non-significant value. Regarding accounting treatment by the lessor, IFRS 16 substantially integrates the requirements of IAS 17. Therefore, the lessor continues to classify its leases agreements as operating and finance leases, and to follow different accounting treatment for each type of contract. The new standard is applied in annual accounting periods beginning on or after 1 January 2019 and has not been adopted by the European Union.

IFRS 10 (Amendment) - Consolidated Financial Statements
IAS 28 (Amendment) - "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between the Investor and the Affiliate or Joint Venture
The main consequence of the amendment adopted by the Council on 11 September 2014 is that the full profit or loss is recognized when a transaction includes a business (whether it is hosted in a subsidiary or not). A partial gain or loss is recognized when a transaction includes non-business assets, even if those assets are housed in a subsidiary. The amendment is effective for annual periods beginning on or after 1 January 2016 and not adopted by the European Union.

IAS 12 (Amendment) Recognition of deferred tax assets in unrealized losses
The amendment clarifies the accounting treatment for the recognition of deferred tax assets in unrealized losses resulting from loans measured at fair value.
The amendment is effective for annual periods beginning on or after January 1, 2017 and has not yet been endorsed by the EU.

IAS 7 Cash Flow Statements (Amendment) - Disclosures
The amendment introduces mandatory disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require from entities to provide disclosures that allow investors to measure changes in liabilities arising from financial activities, including changes from cash flows and non-cash changes. The amendment applies to annual accounting periods beginning on or after 1 January 2017 and not yet adopted by the European Union.

IFRS 2 Share-based payment (Amendment) - Classification and measurement of Shared-based Payment transactions
The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendment is effective for annual periods beginning on or after 1 January 2018 and has not yet been endorsed by the EU.

IFRS 4 (Amendment) Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts"
The Council adopted amendments to IFRS 4 on 12 September to address the concerns arising from the application of the new IFRS 9 before applying the new IFRS 4 as amended by the Board.

The amendments introduce two approaches: overlay and postponement. The amended standard will:

a) give all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and

b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021.

The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39.

The amendment is effective for annual periods beginning on or after 1 January 2018 and has have not yet been endorsed by the EU.

The above amendments are not expected to have a material impact on the Group's financial statements.

Circle of Annual Improvements to IFRSs 2014-2016 (effective for annual accounting periods beginning on or after January 1, 2018 – IASB 8 December 2016 and have not adopted by the EU)

The Circle of Annual Improvements to IFRS 2014-2016 modifies the following standards:

IFRS 1 First-time adoption of International Financial Reporting Standards

The amendment deletes the "Short-term exemptions from IFRSs" provided in Appendix E of IFRS 1 on the grounds that they have now served their purpose and are no longer necessary.

IAS 28 (Amendment) Measurement of Associates or Joint Ventures at fair value

The amendment clarifies that the option given investments in an associates or joint ventures held by an entity that is a qualifying asset management entity or other qualifying entity, to be measured at fair value through profit or loss is available for each investment to a relative or joint venture separately at the initial recognition.

IFRS 12 Disclosures of participations in other entities

The amendment clarified the scope of the standard by specifying that the disclosure requirements of the standard, other than those in paragraphs B10-B16, apply to the entity's holdings referred to in paragraph 5 that are classified as held for sale, held for distribution or discontinued operations in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

IAS 40 Investment Property

The amendments to IAS 40 adopted by the Council on 8 December 2016 specify that an entity may transfer a property to or from investment property when and only when there is evidence of a change in use. A change in use occurs if the property meets or ceases to meet, the definition of investment property. A change in the management's intentions to use the property alone is not an indication of a change in use. The amendment is effective for annual periods beginning on or after 1 January 2018 and not adopted by the European Union

IFRIC 22 Transactions in Foreign Currency and Advances
IFRIC 22 clarifies the accounting treatment for transactions involving the collection or payment of foreign currency advances. In particular, it applies to foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advances before the entity recognizes the related asset, expense or income. According to the interpretation the date of the transaction, for the purpose of determining the exchange rate, is the date of the initial recognition of the non-monetary prepayments of the asset or the obligation to receive an advance. If there are multiple payments or receipts in advance, the transaction date is determined for each payment or collection. The interpretation is effective for annual periods beginning on or after 1 January 2018 and not adopted by the European Union.

The application of these amendments does not have a significant effect on the disclosures and / or amounts recognized in the Group's financial statements.

2.4. Consolidated financial statements

Subsidiaries: are all companies managed and controlled, directly or indirectly, by another company (parent), whether through ownership of the majority of shares in the company in which the investment was made, either through its dependence on the expertise provided by the Group. Namely, subsidiaries are the companies that are controlled by the parent. ELTON acquires and exercises control through voting rights. The existence of potential voting rights that are exercisable at the preparation time of the financial statements is taken into account in order to substantiate whether the Group controls another entity. Subsidiaries are fully consolidated (full consolidation) with the acquisition method from the date that control is taken over them and cease to be consolidated from the date that control ceases.
The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, shares issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group’ share of

the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.
Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.
The Company accounts for its investment in subsidiaries, in its stand alone accounts, on the cost less impairment basis.

Associates: are entities over which the Group has significant influence but they do not fulfill the conditions to be classified as subsidiaries. The assumptions used by the group imply that voting rights percentage between 20% and 50% of a company suggests significant influence on the company. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. At the end of every fiscal year, the cost is increased by the proportion of the investing company in the changes in equity of the invested company and decreased with the received dividends from the associate.
The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. Accumulated changes affect the book value of investments in associated companies. When the Group's share of losses in an associate equals or exceeds its participation in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's participation in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
Accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group.

2.5. Segment reporting

The operational segments business sector is defined as a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments.
A geographical segment is a geographical region in which products and services are subject to risks and returns different from other areas. For the year 2016 the 65,36% of the consolidated turnover derived from activities carried out in Greece (2015: 68,26%).

2.6. Foreign exchange conversions

Functional and presentation currency

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The data of the financial statements of the companies of the Group are measured in the currency of the primary economic environment in which the Group operates (its functional currency).

The consolidated financial statements are reported in Euro, which is the functional currency and reporting currency of the parent company and all its subsidiaries.

Transactions and balances

Transactions in foreign currencies are converted to the functional currency using the exchange rates prevailing at the transaction date. Profits and losses from foreign exchange differences arising from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency using the exchange rates at the balance sheet date are recorded in the results.

Companies of the Group

The translation of the financial statements of the Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Group is as follows:

• Assets and liabilities are translated at the rates prevailing at the balance sheet date,

• Revenues and expenses are translated at average exchange rates

• All resulting exchange differences are recognized in equity reserve and transferred to the income statement as part of the gain or loss on sale.

The structure of the Group as at 31/12/2016 is as follows:

COMPANY	COUNTRY	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
ELTON SA	GREECE	PARENT	
ELTON CORPORATION SA	ROMANIA	100%	FULL
ELTON CORPORATION LTD	BULGARIA	100%	FULL
ELTON CORPORATION DOO	SERBIA	100%	FULL
ELTON MARMARA KIMYA SANAYI VE TICARET A.S.	TURKEY	70%	FULL
ELTON CORPORATION OOO	UKRAINE	100%	FULL (*from 1.1.16)
ELTON PLS SA	GREECE	70%	NOT CONSOLIDATED

2.7. Tangible fixed assets

Fixed assets are reported in the Financial Statements at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

In the current financial statements depreciation of other tangible fixed assets (excluding land which is not depreciated) is calculated with method over their estimated useful lives, which are as follows:

1. Buildings	25 to 50 years
2a Mechanical Equipment	3 to 15 years
2b Metal Tanks	15 years
2c.Photovoltaic	20 years
3. Cars	4 to 10 years
4. Other Equipment	5 to 10 years
4a. Furniture	4 to 10 years
4b. Electronic computers	3 to 7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. When the carrying amounts of the tangible assets are higher than their recoverable amount, the resulting difference (impairment loss) is recognized immediately as a loss in the income statement.

In case of sale of tangible assets, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the income statement. Repairs and maintenance are charged to the expenses of the period they occur.

Self-produced tangible assets constitute an addition to the cost of fixed assets on values that include the direct payroll cost of personnel involved (including the relevant costs), cost of materials and other general costs.

2.8. Intangible assets

Intangible assets include software licenses. Software licenses are valued at cost less depreciation. Depreciation is calculated using the straight-line method over the useful life of these assets, which range from 1 to 5 years.

Expenses required for the development and maintenance of the software are recognized as expenses when incurred.

2.9. Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

Assets that are subject to amortization are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognized as an expense to the Comprehensive Income Statement, when they occur.

2.10. Financial assets

Financial asset is any contract that creates a financial asset to one entity and a financial liability or equity instrument to another enterprise. Financial assets are recognized at cost, including additional direct costs. The company did not hold any investments other than those which are subsidiaries. In the parent company's balance sheet the investments in subsidiaries are carried at fair value.

2.11. Inventories

At the date of balance sheet the inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any costs related to sale. The acquisition cost of inventories is defined by the weighted average of the month. The cost of inventories does not include financial expenses.

For impaired inventories it has been formed provision of EUR 152.351 (2015: 135.587 euro).

2.12. Trade receivables

Trade receivables are recognized initially at fair value and are then valuated in their un-depreciated cost, using the real interest rate, less provision for impairment. In case the carried value or cost of a financial asset exceeds the present value, then the asset is valued at its recoverable amount, i.e. the present value of future cash flows of the asset, which is calculated based on the actual initial interest rate. The relevant loss is transferred directly to the income statement. Impairment losses, ie when there is objective evidence that the Group is not able to collect all amounts owed based on contractual terms and after having run out all possible legal actions to collect them, are recognized in the results.

2.13. Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits and short term up to 3 months with high liquidity and low risk investments.

2.14. Non-current assets classified as held for sale

Assets held for sale include other assets (including goodwill) and tangible assets that the Group intends to sell within one year from the date of classification as "held for sale". The assets classified as "held for sale" are measured at the lower value between their book value immediately prior to their classification as held for sale and their fair value less the cost of sale. The assets classified as "held for sale" are not subject to amortization. The profit or loss arising from the sale and revaluation of "held for sale" assets included in "other income" and "other expenses" respectively in the income statement. The Group in the current fiscal has not classified non-current assets as held for sale.

2.15. Share capital

Share capital includes common shares of the Company that are classified as equity.
Expenses that were made for the issuance of the shares, presented after deducting the income tax, to a decrease of the proceeds. Expenses related to the issuance of shares for the acquisition of companies are included in cost of the acquired company.
During the acquisition of own shares, the price paid - including related costs - is depicted as deducted equity (share premium reserve).

2.16. Income tax and deferred tax

The period's charge with income tax consists of the current tax and deferred taxes, ie taxes or tax relief related to the financial benefits that arise during the period but have been or will be imputed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except from the tax that refers to transactions recorded directly in equity, in which case it is recorded directly in a similar way to equity.
Current income taxes include short term obligations or claims from fiscal authorities relating to taxes payable on the taxable income of the period and any additional income taxes from previous years.
Current taxes are measured according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to the short term tax assets or obligations are recognized as a component of tax expense in the income statement.
Deferred income tax is determined by the liability method that results from the temporary differences between the accounting value and taxation basis of assets and liabilities. Deferred

income tax is not accounted if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, which at the time of the transaction did not affect either accounting or taxable profit or loss.
Deferred tax claims and liabilities are valued based on the tax rates expected to applied in the period during which the claim or liability will be settled, taking into consideration tax rates (and tax laws) that have been enacted or essentially in effect until the balance sheet date. In case of failure to identify the timing of reversal of temporary differences, is applies the tax rate that is in effect on the following day of the balance sheet date.
Deferred tax claims are recognized to the extent that there will be future taxable profit for the use of the temporary differences that creates the deferred tax claim.
Deferred income tax is recognized for temporary differences that arise from investments in subsidiaries and associates, except in the case that reversal of the temporary difference is controlled by the Group and it is possible that the temporary differences will not reverse in the foreseeable future.
Most changes in deferred tax claims or liabilities are recognized as a part of the tax expenses in the income statement. Only the changes in assets or liabilities that affect the temporary differences are recognized directly in equity of the Group, such as the revaluation of property, result in the relevant change in deferred tax claims or liabilities to be charged against the relevant equity account.

2.17. Employee Benefits

Short-term benefits: Short-term employee benefits (except benefits from employment termination), monetary and in items, are recognized as an expense when they accrue.
Benefits after leaving the service: According to the Greek Laws 2112/20, the Company pays the employees compensations for dismissals or resignations due to pensions. The aforementioned payments depend on the years of working experience, the remunerations, and the way of leaving the company (dismissal or resignation). The compensations for pensions and dismissals fall under the defined benefit plans according to the IFRS 19 «Employee benefits». The above obligations are calculated based on an actuarial projected unit credit method. The provisions that concern the fiscal year, are included in the relative personnel cost in the attached consolidated financial statements and consist of the current and previous personnel cost, the relative financial cost, the actuarial profits or losses and any other possible charges. According to the non-recognized actuarial profits or losses, the amended IAS 19 is applied, which includes a series of amendments regarding the accounting of defined benefit plans.
1. Actuarial gains and losses will be recognized in other comprehensive income and their definitive exclusion from the income statement.
2. Not recognizing more of the expected returns of investment of the program to the income statement but the recognition of such interest on the net liability/(claim) of benefit, calculated based on the discount rate that is used to measure the defined benefit obligation

3. Past service costs are recognized in the income statement in the period when a plan is amended.
4. Other changes include extended disclosures, as quantitative sensitivity analysis

2.18. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and when it is probable that an outflow of resources and estimating the amount of the obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected be required for the settlement of the obligation. Contingent obligations are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is minimal. Contingent claims are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.19. Revenue and Expense Recognition

Revenue: Revenues include the fair value of projects, sales of goods and services, net of Value Added Tax, rebates and discounts. Intercompany revenues within the Group are eliminated in full. The recognition of revenue is as follows:

- **Sales of goods:** Sales of goods are recognized when the Group delivers the goods to the customers, the goods are accepted by the customers and collectability of the related receivables is reasonably assured.
- **Services:** Revenue from services is accounted the period in which the services are provided, based on the stage of completion of the service in relation to all services.
- **Interest income:** Interest income is recognized on a time proportion basis using the actual interest rate method.
- **Dividends:** Dividends are recognized as income when there is right to receive payment.

Expenses: expenses are recognized in results on an accrual basis.

2.20. Leases

Leases of fixed assets, which transfer to the Group all the risks and benefits related to the ownership of an asset, regardless of the finally transfer or not of the ownership title of that asset, are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease is allocated between the liability and the financial charges so as to achieve a fixed interest rate on the remaining financial obligation. The corresponding rental obligations, net of financial charges, are reported in liabilities. The part of financial expenses relating to finance leases is recognized in income statement during the lease period. Fixed

assets that acquired through financial leasing are depreciated the shorter period of the useful life of the asset or the duration of the lease. There were no such leases until the period presented.
Lease agreements where the lessor transfers the right to use an asset for an agreed period, without transferring the risks and rewards of ownership of the asset are classified as operating leases. Payments made for operating leases (net of any incentives offered from the lessor) are recognized in the results proportionately by the lease period.

2.21. Distribution of dividends

The distribution of dividends to parent company's shareholders is recognized as a liability in the financial statements on the date on which the distribution is approved by the General Assembly of Shareholders.

2.22. Grants

Grants related to assets are government grants, which according to IAS 20 "Accounting for Government Grants', whose primary condition is that an enterprise qualifying for them should purchase, construct or any other way acquire long-term assets.
Government grants related to assets must be shown in the balance sheet either as deferred income or by deducting the accounting value of the related assets. The company chose to display the government grant of Law 3299/2004 as deferred income, which will be recorded in systematic and rational basis as revenue during the useful life of assets.

2.23. Suppliers and other obligations

Suppliers and other liabilities are recognized initially at fair value and subsequently at the unamortized cost using the effective interest rate method.

2.24. Borrowing

Loans are recorded initially at their fair value, less any costs to complete the transaction. Borrowings are subsequently valued at the unamortized cost using the effective interest rate method. Borrowings are classified as short term liabilities unless the Group has the right to defer the repayment of the liability for at least twelve months from the balance sheet date.

3. Risk management

3.1 Financial risk factors

The Group is exposed to a variety of financial risks such as market risk (changes in exchange rates, interest), credit risk, liquidity risk, cash flow risk and fair value interest rate risk.
The overall risk management of the Group focuses on the unpredictability of financial markets and seeks to minimize their potential negative effect in the financial performance of the Group.

a) Market Risk

1. Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and investments which having their head office and operate abroad.

The Group has certain investments in subsidiaries that are depicted in the table below, whose assets are exposed to currency risks.

COMPANY	COUNTRY	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
ELTON CORPORATION SA	ROMANIA	100%	FULL
ELTON CORPORATION EOOD	BULGARIA	100%	FULL
ELTON CORPORATION DOO	SERBIA	100%	FULL
ELTON CORPORATION OOO	UKRAINE	100%	NOT CONSOLIDATED
ELTON MARMARA KIMYA SANAYI VE TICARET A.S.	TURKEY	70%	FULL

2. Price Risk

The Group is not exposed to securities price risk because of the complete lack thereof. However is exposed to changes in the value of goods moved (Bulk chemicals) and this because their price is directly linked to the price of petroleum, as it is valued in the current market. This risk is managed through a comparable change in selling prices of the goods available.

3. Cash flow and fair value interest

A. Interest risk

The Group has no interest-bearing assets and therefore income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest risk is increased by long-term and short-term borrowings.

In particular the long-term borrowing on December 31, 2016 of the Company and of the Group amounted to 2.663.154 euro (2015: 1.666.664 euros) and 2.262.653 euro (2015: 1.666.664 euro) while the short-term bond borrowings of the Group and the Company at 1.666.664 euros and the short-term bank borrowing of the Group and the Company at 16.462.057 euro (2015: 17.921.146 euro) and 13.585.142 (2015: 13.362.248 euro).

The long-term bank borrowing of the amount 3.000.000 euro has been concluded with fixed interest rate 2,92% and according to the agreement of the repayment table it will be repaid at 16 equivalent quarterly installments.
The short-term bond borrowing is a common bond loan of ten years duration with semi-annual installments and six month interest charge of total initial nominal value fifteen million (15.000.000) euros. The interest rate is with fixed part (spread) per annum and variable part which is equal to the EURIBOR of the interest period.
Short-term bank borrowing has been concluded with a floating interest rate.
In case of +1% or -1% change of interest rate the effects on equity and results of the Group and the Company are presented below:
A) Increase in interest rate by 1%
The results for the year and equity of the Group and the Company would burden by 207.919 and 175.145 euros respectively.
B) Decrease in interest rate by 1%
The results of the year and the equity of the Group and the Company would increase by 207.919 and 175.145 euros respectively.

B. Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks, and credit reports of customers including significant claims and transactions.
The Group has significant concentration of claims, mainly because of the fact that the largest number of its claims is related to a limited number of customers, who are internationally renowned multinational companies, whether they are related parties within the meaning of IAS 24 and therefore the existence of credit risk is limited.
The Group and the Company are making provision for doubtful customers. On 31st December 2016 the total number of customers and other trade receivables was EUR 45.666.059 (2015: 44.248.542) and EUR 33.529.808 (2015: 31.705.293 euro) respectively and provisions of doubtful were 5.095.329 euros (2015: 3.828.568 euro) and 4.001.235 euro (2015: 3.001.235 euros) respectively i.e. 11,16 % (2015: 8,65%) and 11,93% (2015: 9,47 %) which the management of the Company considers satisfactory in an environment of increased credit fluctuations.
Also the debit balances of the subsidiaries on December 31st 2016 amounted to EUR 952.136 (2015: 673.532 euro), which the Company's Management believes that present no risk of non-collection since subsidiaries are controlled 100% by the parent.

C. Capital risk management

The capital management aims to ensure the Group's opportunity to continue its activities in order to provide profits to the shareholders and benefits for other interest parties, while maintaining a capital structure that minimizes the cost of capital. The capital management tools are the dividend policy, the issuance or return of capital and trading of assets.

The main index used in the management of capital is the leverage factor, which is calculated as net borrowing divided by total usable capital.

Net borrowing is calculated as total borrowings (including short and long term loans) minus cash and cash equivalents.

The total usable capital is calculated by the equity that is displayed in the balance sheet plus the net borrowing.

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Total of borrowings	20.791.875	21.254.474	17.514.459	16.695.576
Less: Cash and cash equivalents	-6.040.849	-5.492.326	-5.301.231	-3.450.156
Net Borrowing	**14.751.026**	**15.762.148**	**12.213.228**	**13.245.420**
Equity	49.587.373	47.441.428	44.794.962	43.137.538
Total usable capital	**64.338.399**	**63.203.577**	**57.008.190**	**56.382.958**
Leverage factor	**22,93%**	**24,94%**	**21,42%**	**23,49%**

It is observed that the leverage factor on 31 December 2016 of the Group appears decreased than the previous fiscal year 2015, due to profitability and increase of the Equity.

D. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of financing through sufficient credit operations. The table below analyzes the financial liabilities of the Group and the Company classified in groups by date, calculated in accordance with the remaining period from the balance sheet date until the contractual maturity date.

Group 31/12/2016	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	18.128.721	2.663.154	0	20.791.875
Trade and other liabilities	15.966.515	0	0	15.966.515
Total	**34.095.236**	**2.663.154**	**0**	**36.758.390**

Group 31/12/2015	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	19.587.810	1.666.664	0	21.254.474
Trade and other liabilities	17.184.326	0	0	17.184.326
Total	**36.772.136**	**1.666.664**	**0**	**38.438.800**

Company 31/12/2016	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	15.251.806	2.262.653	0	17.514.459
Trade and other liabilities	11.522.870	0	0	11.522.870
Total	**26.774.676**	**2.262.653**	**0**	**29.037.329**

Company 31/12/2015	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	15.028.912	1.666.664	0	16.695.576
Trade and other liabilities	12.185.469	0	0	12.185.469
Total	**27.214.381**	**1.666.664**	**0**	**28.881.045**

The Group considers that the total liabilities to suppliers are short term. In the same category includes other current liabilities as well as tax liabilities.

E. Fire risk

The Group's fixed assets (buildings, warehouses, offices, machinery and furniture) and the inventories of the Company are fully insured against fire, lightning, storm, storm, other natural disasters and acts of terrorism.

The inventories that are in warehouses of the company are insured at their acquisition value against all these risks. Additionally, there are insurance programs for loss of gross profit as a consequence of business interruption, from coverage of property damage, as well as programs covering financial losses or contingent liabilities of third parties.

Despite security of facilities, stock and employees, in any partial or total destruction or accident related to the above risks, it cannot be provides any confirmation that the Company will be indemnified directly and in full by the insurance company.

In addition, the Group's buildings are in very good condition and have been taken all appropriate measures to address this risk and minimize its consequences.

4. Basic accounting estimations and judgments

Accounting estimations and judgments must continually be assessed based on historical experience and other factors, including expectations for future events that are considered under the circumstances.

The Group conducts provisions relating to the future. The calculated accounting estimations will rarely be equal the related actual results.

The annual financial statements of December 31st 2016 were compiled with the basic accounting principles and estimations of the balance sheet of December 31st 2015.

5. Financial information by segment

The operational segments business sector is defined as a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments.
A geographical segment is a geographical region in which products and services are subject to risks and returns different from other areas.

5.1 Primary reporting sector by Business Unit

The financial statements of the Group by Business Unit for the periods 1/1-31/12/2016 & comparable 1/1-31/12/2015 analyzed as follows:

Period 01/01-31/12/2016	Industrial	Food-Agrochemicals	Other	Total
Total Gross Sales per sector	59.904.284	52.763.784	2.784.794	115.452.862
Sales between Group companies	-1.002.163	-882.707	-46.588	-1.931.458
Net sales to third parties	**58.902.121**	**51.881.077**	**2.738.206**	**113.521.404**
EBITDA	3.273.892	2.437.820	173.986	5.885.698
Depreciation of the period				-894.510
Financial cost				-1.385.792
Results before taxes				**3.605.396**
Income Taxes				-960.579
Profit after tax				**2.644.817**

Period 01/01-31/12/2015	Industrial	Food-Agrochemicals	Other	Total
Total Gross Sales per sector	56.007.585	47.688.102	4.010.743	107.706.430
Sales between Group companies	-1.503.180	-1.279.894	-107.644	-2.890.718
Net sales to third parties	**54.504.405**	**46.408.208**	**3.903.099**	**104.815.712**
EBITDA	3.167.009	2.344.848	212.043	5.723.901
Depreciation of the period				-858.867
Financial cost				-1.248.436
Results before taxes				**3.616.598**
Income Taxes				-918.435
Profit after tax				**2.698.163**

Allocation of Assets and Liabilities by Business Unit on December 31st 2016 on a consolidated basis and the comparable period December 31st 2015:

*These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek version will prevail over this document

Assets Total	31/12/2016	31/12/2015
Industrial	47.337.897	47.100.286
Food- Agrochemicals	41.695.292	40.103.912
Other	2.200.615	3.372.885
Intercompany	-2.638.444	-2.319.560
Total	**88.595.361**	**88.257.523**

Liabilities Total	31/12/2016	31/12/2015
Industrial	21.607.844	22.429.338
Food- Agrochemicals	19.032.222	19.097.637
Other	1.004.492	1.606.181
Intercompany	-2.636.570	-2.317.061
Total	**39.007.988**	**40.816.095**

5.2 Allocation of sales by geographic area

The company's registered office and the main country of activity is Greece. The Group's activities are mainly in Greece whereas operates in Romania, Bulgaria, Serbia, Turkey and Ukraine.

Sales refer to the country which are established the customers. The total assets refer to geographical location.

Period 01/01-31/12/2016	Sales	Total of Assets
Greece	74.200.098	75.969.998
Balkans	35.523.459	26.490.746
Other countries	5.729.305	1.655.422
Intercompany/consolidation deletions	-1.931.458	-15.520.805
Total	**113.521.404**	**88.595.361**

Period 01/01-31/12/2015	Sales	Total of Assets
Greece	71.549.840	74.255.556
Balkans	35.619.955	27.273.825
Other countries	536.635	1.239.028
Intercompany/consolidation deletions	-2.890.718	-14.510.886
Total	**104.815.712**	**88.257.523**

6. Tangible Assets

The fixed assets of the Group and the Company are analyzed as follows:

GROUP	Land & Buildings	Mechanical equipment & transportation means	Furniture & other equipment	Tangible assets under construction & advances	Total
Cost value					
Balance at 1st January 2015	17.783.550	4.588.398	1.396.796	80.635	23.849.380
Acquisition of subsidiary	0	232.514	106.732	0	339.246
Additions	10.950	215.022	28.790	160.869	415.631
Exchange differences	-17.035	608	-5.598	-425	-22.450
Reductions	0	-225.668	-4.140	-153.821	-383.628
Value impairment	-219.309	0	0	0	-219.309
Balance at 31st December 2015	**17.558.156**	**4.810.874**	**1.522.580**	**87.258**	**23.978.869**
Acquisition of subsidiary	0	0	2.868	0	2.868
Additions	163.143	246.788	81.183	68.268	559.382
Exchange differences	-7.028	-36.460	-61.306	-809	-105.603
Reductions	0	-133.275	-28.509	-68.417	-230.201
Balance at 31st December 2016	**17.714.271**	**4.887.927**	**1.516.816**	**86.300**	**24.205.315**
Depreciation					
Balance at 1st January 2015	2.745.052	2.934.718	1.110.227	0	6.789.997
Acquisition of subsidiary	0	182.300	83.682	0	265.982
Additions	395.346	228.243	55.534	0	679.123
Exchange differences	-1.980	3.162	-6.374	0	-5.192
Reductions	0	-224.806	-2.740	0	-227.546
Balance at 31st December 2015	**3.138.417**	**3.123.617**	**1.240.329**	**0**	**7.502.364**
Acquisition of subsidiary	0	0	2.107	0	2.107
Additions	393.885	256.511	56.060	0	706.457
Exchange differences	-1.053	47.950	-90.145	0	-43.248
Reductions	0	-114.128	-27.474	0	-141.602
Balance at 31st December 2016	**3.531.249**	**3.313.951**	**1.180.878**	**0**	**8.026.078**
Undepreciated value at 31st December 2016	**14.183.022**	**1.573.976**	**335.939**	**86.300**	**16.179.238**
Undepreciated value at 31st December 2015	**14.419.739**	**1.687.257**	**282.251**	**87.258**	**16.476.505**

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COMPANY	Land & Buildings	Mechanical equipment & transportation means	Furniture & other equipment	Tangible assets under construction & advances	Total
Cost value					
Balance at 1st January 2015	**12.388.267**	**4.079.472**	**1.256.985**	**30.000**	**17.754.724**
Additions	10.950	167.850	19.788	87.088	285.675
Reductions	0	-187.366	-1.908	-117.088	-306.362
Value impairment	-219.309	0	0	0	-219.309
Balance at 31st December 2015	**12.179.908**	**4.059.955**	**1.274.865**	**0**	**17.514.728**
Additions	99.642	197.120	20.505	0	317.266
Reductions	0	-66.098	-28.509	0	-94.607
Value impairment	0	0	0	0	0
Balance at 31st December 2016	**12.279.550**	**4.190.977**	**1.266.861**	**0**	**17.737.387**
Depreciation					
Balance at 1st January 2015	2.153.744	2.658.699	1.020.045	0	5.832.488
Additions	260.343	167.089	43.938	0	471.370
Reductions	0	-185.334	-1.908	0	-187.242
Balance at 31st December 2015	**2.414.087**	**2.640.454**	**1.062.075**	**0**	**6.116.616**
Additions	257.232	163.364	38.261	0	458.857
Reductions	0	-66.098	-27.474	0	-93.572
Balance at 31st December 2016	**2.671.319**	**2.737.720**	**1.072.863**	**0**	**6.481.902**
Undepreciated value at 31st December 2016	**9.608.231**	**1.453.256**	**193.998**	**0**	**11.255.485**
Undepreciated value at 31st December 2015	**9.765.821**	**1.419.501**	**212.790**	**0**	**11.398.112**

There are no mortgages or encumbrances on fixed assets against borrowings.
The additions to the fixed assets of the Group and of the Company are mainly improvements of buildings and purchase of vehicles, machinery and equipment.
In fiscal year 2015, was conducted impairment control of the Company's properties by independent evaluators. From their estimation arose EUR 219.309 impairment loss, charged to the Net profit of period (A).

7. Intangible assets

GROUP	Accounting programms	Goodwill- Other rights	Total
Cost value			
Balance at 1st January 2015	**850.468**	**2.811.867**	**3.662.335**
Additions	150.022	36.733	186.755
Exchange differences	-361	-467	-828
Balance at 31st December 2015	**1.000.129**	**2.848.133**	**3.848.262**
Subsidiary consolidation	429	0	429
Additions	20.318	28.039	48.357
Exchange differences	-80	-325	-405
Reductions	-350	0	-350
Balance at 31st December 2016	**1.020.446**	**2.875.847**	**3.896.293**
Depreciation			
Balance at 1st January 2015	**740.443**	**20.299**	**760.742**
Additions	48.711	130.094	178.806
Exchange differences	-252	-31	-283
Balance at 31st December 2015	**788.903**	**150.362**	**939.265**
Subsidiary consolidation	229	0	229
Additions	56.247	130.045	186.292
Exchange differences	1.111	-65	1.046
Reductions	-157	0	-157
Balance at 31st December 2016	**846.333**	**280.342**	**1.126.675**
Undepreciated value at 31st December 2016	**174.114**	**2.595.505**	**2.769.619**
Undepreciated value at 31st December 2015	**211.227**	**2.697.771**	**2.908.998**

COMPANY	Accounting programms	Goodwill- Other rights	Total
Cost value			
Balance at 1st January 2015	**785.246**	**2.790.000**	**3.575.246**
Additions	133.050	0	133.050
Balance at 31st December 2015	**918.296**	**2.790.000**	**3.708.296**
Additions	20.000	0	20.000
Reductions	-350	0	-350
Balance at 31st December 2016	**937.946**	**2.790.000**	**3.727.946**
Depreciation			
Balance at 1st January 2015	**702.115**	**18.131**	**720.246**
Additions	42.161	127.901	170.063
Balance at 31st December 2015	**744.276**	**146.032**	**890.308**
Additions	51.999	127.901	179.900
Reductions	-157	0	-157
Balance at 31st December 2016	**796.118**	**273.933**	**1.070.051**
Undepreciated value at 31st December 2016	**141.828**	**2.516.067**	**2.657.895**
Undepreciated value at 31st December 2015	**174.020**	**2.643.968**	**2.817.988**

Intangible assets include software licenses, trademarks and supplier contracts. Intangible assets are valued at cost less depreciation. Depreciation is calculated using the straight-line method over the useful life of these assets, which ranges from 5 to 20 years.

8. Surplus value/ Goodwill

	Goodwill
Acquisition value	
Balance at 1st January 2015	-
Additions due to business combinations	712.150
Balance at 31st December 2015	**712.150**
Derecognition of goodwill	-
Balance at 31st December 2016	**712.150**
Impairments	
Balance at 1st January 2015	-
Impairment loss in period	-
Balance at 31st December 2015	**0**
Impairment loss in period	-
Balance at 31st December 2016	**0**
Undepreciated value at 31st December 2016	**712.150**
Undepreciated value at 31st December 2015	**712.150**

ELTON Group through its 100% subsidiary company ELTON CORPORATION SA Romania, acquired a participating interest of 70% in SA "Marmara Endustriyel Kimyevi Maddeler Sanayi ve Ticaret Anonim Sirketi" located in the Municipality of Besiktas Istanbul and 31/10/2015 was the date of the effective exercise control over of the company's activities. The total acquisition price amounted to 1.410.266 euro and the value of assets and liabilities acquired, and how goodwill was assayed is as follows:

	Marmara Endustriyel
Current Assets	
Cash and cash equivalents	23.913
Trade Receivables	1.490.163
Inventories	318.272
Other current assets	103.089
Non-current assets	
Tangible fixed assets	82.066
Other non-current assets	14.445
Short-term Liabilities	
Suppliers	261.734
Other short-term liabilities	148.431
Short-term Borrowings	624.475
Equity at 31/10/2015	997.308
Total price paid for the acquisition of 70%	1.410.266
plus: not controlling interests (30%)	299.192
minus: Equity	-997.308
Goodwill on acquisition	**712.150**

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9. Investments in subsidiaries

In company's statements, participation in subsidiaries is relating to participations in companies that are not listed on the Stock Exchange.
The parent's ownership participation percentage in foreign companies is 100%, and therefore there is not arising any minority interest in the consolidated results report.
In the company's financial statements, investments in subsidiaries are valued at cost less any impairment losses. In consolidated financial statements the value of participation in subsidiaries is eliminated in full.
The investments of the parent in subsidiaries at 31 December 2016 and 2015 were as follows:

COMPANY	31/12/2016	31/12/2015
ELTON CORPORATION SA	8.689.839	8.689.839
ELTON CORPORATION EOOD	397.682	397.682
ELTON CORPORATION DOO	3.103.805	3.103.805
ELTON CORPORATION OOO	691.035	0
TOTAL	**12.882.361**	**12.191.326**

The main financial figures of the three consolidated subsidiaries are presented in the table below:

COMPANY	Country of Origin	Assets	Liabilities	Income	Profit before taxes/(loss)
ELTON CORPORATION SA (*)	Romania	16.393.498	4.138.581	26.066.092	1.334.611
ELTON CORPORATION EOOD	Bulgaria	7.186.571	4.535.310	6.999.848	-326.400
ELTON CORPORATION DOO	Serbia	4.043.261	1.703.110	6.967.809	219.809
ELTON CORPORATION OOO	Ukraine	522.838	92.521	1.219.015	-2.929

(*) The above financial figures also include the financial figures of the subsidiary in Turkey. The parent company's participation in Turkey's subsidiary amounts to 70% (indirectly) and was acquired in October 2015.
Noted that in December 2011 was founded the subsidiary ELTON CORPORATION OOO based in Kharkov, Ukraine. The parent participation is 100% and the subsidiary is not consolidated due to the absence of significant activities until 31/12/2015.
Also on October 11th 2010 was established the subsidiary ELTON PLS based in Greece.
The participation of the parent company is 70% and the subsidiary is not consolidated due to absence of substantive effects until 31/12/2016.

The investments of the parent in unconsolidated subsidiaries at December 31st 2016 and 2015 are as follows:

COMPANY	31/12/2015	Period changes	31/12/2016
ELTON CORPORATION OOO	541.035	-541.035	0
ELTON PLS SA	525.000	-100.000	425.000
TOTAL	**1.066.035**	**-641.035**	**425.000**

Impairment test

Because of the continuous negative results during recent years that subsidiary ELTON PLS had it was performed impairment test of the participation and specifically it was chosen this particular control to build throughout the Company as the cash-generating unit (CGU - Cash Generating Unit). To calculate the value of the company there were used cash flow forecasts based on assessments by the Management covering a five-year period. These assessments take into account the long-term contracts already concluded with customers.

Cash flows after the first five years occurred by using an estimated growth rate 1% which mainly reflects the forecasts of the Management on the industry growth prospects and of the country.

The prepayment rate that was used for the prepayment of the cash flows arising from the application of that method is variable and ranges from 10,7% to 11,1% for the five years and 10,9% for over unlimited time and was based on the following:

• The risk-free interest rate (risk free rate) was determined based on the AAA bond rate in the Eurozone and is equal to 0,27%.

• The additional rate of return (market risk premium) for an investment in a mature market was set at 14,21%

• The risk due to the activity of the company in Greece (country risk) was set at 2%.

The results of this method have shown that on December 31st 2016, the value of the investment in the subsidiary was impaired 100.000 euros, the amount by which the accounting amount of the investment exceeds the value determined and was charged to the profit for the year (A).

10. Deferred tax

Deferred taxes are calculated on temporary differences, according to the liability method, using tax rates applicable in the countries where the companies of the Group are active.

The calculation of deferred taxes of the Group and the Company are reviewed each year, so that the balance on the balance sheet to reflect the current tax rates.

Deferred tax receivables / liabilities as they result from temporary tax differences are as follows:

	GROUP			
(amounts in euro)	Balance on 1/1/2016	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2016
Provision for staff indemnities	128.317	9.656	1.068	139.041
Provision for doubtful receivables	-182.342	327.922	-	145.580
Provision for obsolete inventory	37.700	-	-	37.700
Provision of participations impairment	50.750	29.000	-	79.750
Value adjustment of land	168.827		-	168.827
Tangible fixed assets	-269.117	-38.983	-	-308.100
Intagible assets	-100.709	-35.462	-	-136.171
Total	**-166.574**	**292.132**	**1.068**	**126.627**

GROUP				Change of Tax Rate		
(amounts in euro)	Balance on 1/1/2015	Recognition at the results statement	Recognition in Other Comprehensive Income	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2015
Provision for staff indemnities	107.082	6.990	1.889	10.076	2.280	128.317
Provision for doubtful receivables	96.521	-290.000	-	11.137	-	-182.342
Provision for obsolete inventory	33.800	-	-	3.900	-	37.700
Provision of participations impairment	-	50.750	-	-	-	50.750
Value adjustment of land	85.234	63.600	-	-	19.993	168.827
Tangible fixed assets	-209.281	-35.111	-	-24.725	-	-269.117
Intagible assets	-60.962	-32.713	-	-7.034	-	-100.709
Total	**52.395**	**-236.485**	**1.889**	**-6.647**	**22.273**	**-166.574**

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	COMPANY			
(amounts in euro)	Balance on 1/1/2016	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2016
Provision for staff indemnities	128.317	9.656	1.068	139.041
Provision for doubtful receivables	-182.342	290.000	-	107.658
Provision for obsolete inventory	37.700	-	-	37.700
Provision of participations impairment	50.750	29.000	-	79.750
Value adjustment of land	256.865		-	256.865
Tangible fixed assets	-268.324	-38.274	-	-306.598
Intagible assets	-100.709	-35.462	-	-136.171
Total	**-77.743**	**254.919**	**1.068**	**178.245**

COMPANY				Change of Tax Rate		
(amounts in euro)	Balance on 1/1/2015	Recognition at the results statement	Recognition in Other Comprehensive Income	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2015
Provision for staff indemnities	107.082	6.990	1.889	10.076	2.280	128.317
Provision for doubtful receivables	96.521	-290.000	-	11.137	-	-182.342
Provision for obsolete inventory	33.800	-	-	3.900	-	37.700
Provision of participations impairment	-	50.750	-	-	-	50.750
Value adjustment of land	173.272	63.600	-	-	19.993	256.865
Tangible fixed assets	-214.286	-29.312	-	-24.725	-	-268.324
Intagible assets	-60.962	-32.713	-	-7.034	-	-100.709
Total	**135.427**	**-230.685**	**1.889**	**-6.647**	**22.273**	**-77.743**

The deferred tax receivables and liabilities at the Statement of Financial Position are as follows:

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Deferred tax receivables	570.898	385.594	621.014	473.632
Deferred tax liabilities	-444.271	-552.168	-442.769	-551.375
Deferred tax receivables at Balance Sheet	**216.167**	**35.337**	**178.245**	**0**
Deferred tax Liabilities at Balance Sheet	**-89.540**	**-201.911**	**0**	**-77.743**

The above deferred tax obligations of the Group amounting to € 89.540 (2015: 35.337 euro receivables) come from subsidiaries and are not offset against deferred tax receivables of other companies located in other countries as the ability by IAS 12 is not provided to offset deferred tax receivables with obligations that are not reported in the same Tax Authority.

The income tax rates of the parent and its subsidiaries are as follows:

Country	Income Tax Rate
Greece	29%
Romania	16%
Bulgaria	10%
Serbia	15%
Ukraine	18%

11. Other non-current assets

Other non-current assets relating to long-term receivables are analyzed as follows:

	GROUP		COMPANY	
Other non-current assets	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Guarantees	79.523	126.975	59.280	57.902
	79.523	**126.975**	**59.280**	**57.902**

12. Inventories

Inventories of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Inventories	15.936.194	16.666.814	9.541.262	10.302.430
Finished and semi-finished products	938.138	846.269	937.011	845.756
Raw& Auxiliary materials, packing items	1.630.343	1.134.942	1.039.200	1.128.707
Total	**18.504.675**	**18.648.025**	**11.517.473**	**12.276.893**
Less: Provision for scrap, slow moving and damaged inventory (see liabilities "Other Provisions")	(152.351)	(135.587)	(130.000)	(130.000)
Total net liquidating value	**18.352.324**	**18.512.438**	**11.387.473**	**12.146.893**

On the Group's stocks there are pledges to secure bank loans at total amount of 750.000 euro. The Group takes all the necessary measures (insurance, storage) to minimize the risk and potential damages due to natural disasters, theft, fire, etc.

13. Customers and other trade receivables

Customers and other trade receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
Trade and other receivables	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Customers	27.821.859	27.149.262	17.332.118	17.246.628
Notes receivable	191.508	213.067	191.508	210.195
Promissory Notes in delay	223.425	181.025	223.425	181.025
Cheques receivable	12.862.033	11.574.503	11.404.027	9.433.001
Checks in delay	3.617.423	3.434.947	3.617.423	3.434.947
Advances for purchase of inventories	949.810	1.695.737	761.306	1.199.496
	45.666.059	**44.248.542**	**33.529.808**	**31.705.293**
Less: Provision for doubtful debts	(5.095.329)	(3.828.568)	(4.001.235)	(3.001.235)
Grand total of customers and other trade receivables	**40.570.730**	**40.419.974**	**29.528.573**	**28.704.058**

In fiscal year 2016 it was formed a provision for doubtful debts in the Group and the Company amounting to 1.094.094 euros (2015: 827.333 euro) and 1.000.000 euro (2015: 500.000 euro) respectively.

According to management's estimates, the amounts of provisions 5.095.329 euro (2015: 3.828.568 euro) and 4.001.235 euro (2015: 3.001.235 euro) for the Group and the Company respectively, are considered sufficient to cover possible losses arising from the non-collection of receivables. All the above claims are short-term and are not required to prepay them at the balance sheet date.

Also the debit balances of subsidiaries on 31 December 2016 amounted to EUR 952.136 euro (2015: 673.532 euro), which the Company's management believes that present no risk of non-collection since subsidiaries are controlled 100% by the parent.

14. Other current assets

Other receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
Other current assets	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Sundry Debtors	2.885.996	2.186.391	1.978.251	2.138.158
Accounts of advances-credits	8.783	19.444	8.783	19.444
Deferred expenses	202.631	165.365	177.420	135.486
	3.097.411	**2.371.200**	**2.164.455**	**2.293.088**

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Furthermore, the sundry debtors are analyzed as follows:

	GROUP		COMPANY	
Sundry debtors	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Advance payment of Tax Income	416.989	463.870	416.989	463.870
Receivables from the Greek State (Investment Law 3299/2004)	1.157.000	1.157.000	1.157.000	1.157.000
Other Debtors	1.312.007	565.521	404.262	517.288
	2.885.996	**2.186.391**	**1.978.251**	**2.138.158**

All the above claims are short-term and do not require prepayment at the balance sheet date.

15. Cash and cash equivalents

	GROUP		COMPANY	
Cash and cash equivalents	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Cash	9.478	13.200	9.343	5.575
Sight and time deposits	6.031.371	5.479.126	5.291.888	3.444.581
	6.040.849	**5.492.326**	**5.301.231**	**3.450.156**

Sight deposits and cash are cash and cash equivalents presented in the cash flow statement.

16. Equity

16.1 Share capital and share premium

The share capital of the Company is analyzed as follows:

	Number of shares	Nominal value per share	Share capital	Above par	Total
31/12/2015	26.730.187	0,60	16.038.112	133.417	16.171.529
+/- Acts during 2016	0		0	0	0
31st December 2016	**26.730.187**		**16.038.112**	**133.417**	**16.171.529**

The shares are registered and listed for trading in the Exchange Market (under "Mid Cap") of the ASE. In the year 2016 the share capital remained unchanged.

16.2 Other reserves and retained earnings

The other reserves of the Group are analyzed as follows:

	GROUP		COMPANY	
Reserves and Retained Earnings	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Statutory reserves	1.846.620	1.627.977	1.582.192	1.495.441
Extraordinary reserves	1.066.491	1.066.491	1.066.491	1.066.491
Untaxed reserves	772.520	713.431	772.520	713.431
Other Reserves	2.357.194	2.357.194	0	0
Reserves of Exchange Differences	-2.086.118	-1.577.882	0	0
Retained earnings	29.110.588	26.793.500	25.202.230	23.690.646
	33.067.295	**30.980.711**	**28.623.433**	**26.966.009**

16.3 Dividends

Dividends payable in accordance with the IASF are recognized as a liability at the date of approval by the General Meeting of Shareholders of the proposed distribution by the Board of Directors.

According to the decision of the Board of Directors will be proposed to the Annual General Meeting of shareholders not to be paid dividend.

17. Loan liabilities

The borrowings at 31 December 2016 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Long Term Loans				
Bank Borrowings	2.663.154	0	2.262.653	0
Bond Borrowing	0	1.666.664	0	1.666.664
	2.663.154	**1.666.664**	**2.262.653**	**1.666.664**
Short Term Loans				
Bank Borrowings	16.462.057	17.921.146	13.585.142	13.362.248
Bond Borrowing	1.666.664	1.666.664	1.666.664	1.666.664
	18.128.721	**19.587.810**	**15.251.806**	**15.028.912**
Total borrowings	**20.791.875**	**21.254.474**	**17.514.459**	**16.695.576**

The maturity dates of the loans of the Group and the Company are as follows:

MATURITY DATES OF LONG-TERM LOANS	
From 1 to 2 years	1.163.154
From 2 to 5 years	1.500.000
Total	2.663.154

The Group in 2007 issued a bond loan of EUR 15.000.000 divided into 18 bonds. Each bond has a nominal value of 833.332 euro with an issue price at the par, interest rate with fixed part (spread) per annum and variable part which is equal to the EURIBOR of the interest period.
The expiry of the bond is the year 2017. The above loan is granted without requiring any guarantees or other tangible collateral. This obligation was registered at cost, which reflects the fair value of the received amounts.
On November 10, 2016, it was concluded a long-term loan with the National Bank of Greece at the amount of 3.000.000 euro with a fixed interest rate of 2.92%. The maturity of the loan is four (4) years and according to the agreed repayment schedule it will be repaid in 16 equal quarterly installments. This obligation was recognized at cost that reflects the fair value of the amounts received.

18. Employee benefits obligations due to termination of service

Based on IASF the Group recognizes as a liability the present value of the legal commitment that has been undertaken of the lump sum indemnity to staff members who are leaving due to dismissal or retirement.
The provision pursuant to IAS 19 that is based on independent actuarial report is required to be recorded in the balance sheet and income statement of each company.
According to the labor law, employees entitled to an indemnity in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the manner of termination (dismissal or retirement). Employees who resign or fairly dismissed are not entitled to compensation. In Greece, employees who are retiring are entitled to 40% of such indemnity according to Law 2112/1920. These programs are not funded and are defined benefit plans in accordance with IAS 19.
In the Group was not created other provision and this why the subsidiaries in the Balkans have no obligation to compensate their staff in the event of dismissal.
The following table presents the amounts recorded in the Financial Statements of the Group and the Company after the adoption of the revised IAS 19 on 31.12.2016 and 31.12.2015 respectively:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance sheet liabilities for:				
Pension benefits	479.451	442.473	479.451	442.473
Total	**479.451**	**442.473**	**479.451**	**442.473**
Charges to results				
Pension benefits	47.388	69.905	47.388	69.905
Total	**47.388**	**69.905**	**47.388**	**69.905**
Actuarially (profit) / loss (other comprehensive income)				
Pension benefits	3.683	6.514	3.683	6.514
Total	**3.683**	**6.514**	**3.683**	**6.514**

The amounts recorded in the balance sheet are the following:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Present value of obligation at end of period	479.451	442.473	479.451	442.473
Actual value of plan assets at end of period	0	0	0	0
Net liability in the balance sheet for registration at the end of period	**479.451**	**442.473**	**479.451**	**442.473**

The amounts that have been registered in the income statement are as follows:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Cost of current service	27.692	25.637	27.692	25.637
Interest expense	8.849	9.885	8.849	9.885
Cost (result) of Settlement	10.846	34.384	10.846	34.384
Total included in employee benefits	**47.388**	**69.905**	**47.388**	**69.905**

Change in the liability on the balance sheet:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Net liability to register in the balance sheet at the beginning of the year	**442.473**	**411.855**	**442.473**	**411.855**
Employer contributions paid	-14.093	-45.801	-14.093	-45.801
Expense to be registered in the income statement	47.388	69.905	47.388	69.905
Actuarial (profits) / losses	3.683	6.514	3.683	6.514
Net liability to register in the balance sheet at the end of the year	**479.451**	**442.473**	**479.451**	**442.473**

The main actuarial assumptions used for accounting purposes are as the following:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
	%	**%**	**%**	**%**
Interest rate	1,80%	2,00%	1,80%	2,00%
Salary increase	2,00%	2,00%	2,00%	2,00%
Inflation	2,00%	2,00%	2,00%	2,00%

19. Other Provisions / Grants

The balances of provisions and grants on 31st December 2016 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Provision for unaudited tax fiscal years	115.496	115.496	115.496	115.496
Provision for obsolete inventories	152.351	135.587	130.000	130.000
Other Provisions	**267.847**	**251.083**	**245.496**	**245.496**
Grants of assets	**1.412.759**	**1.471.262**	**1.412.759**	**1.471.262**

At the account "Grants of Assets" it has been registered grant related to assets. Grants related to assets are government grants, which according to IAS 20 "Accounting for Government Grants', have as primary condition that an enterprise which is qualifying them should purchase, construct or otherwise acquire long-term assets. Government grants related to assets must be shown in the balance sheet either as deferred income or by deducting the accounting value of the related assets.

The company chose to display the government grant of L.3299/2004 as deferred income, which will be recorded in a systematic and rational basis in untaxed reserves during the useful life of assets.

In the current year amount 58.503 euro (2015: 59.089 euro) registered in favor of the results.

20. Suppliers and other liabilities

Analysis of balances of suppliers and other related liabilities of the Group and of the Company is as follows:

	GROUP		COMPANY	
Suppliers and other payables	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Suppliers	11.739.340	12.921.956	7.694.312	8.454.597
Notes payable	62.686	64.681	62.686	64.681
Cheques payable	0	1	0	1
Advances from customers	494.362	493.293	476.761	491.756
	12.296.388	**13.479.930**	**8.233.759**	**9.011.035**

It follows the analysis of other short term liabilities:

	GROUP		COMPANY	
Other Short Term Liabilities	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Insurance institutions	344.806	280.775	205.638	198.663
Dividends payable	2.197	2.197	2.197	2.197
Sundry creditors	1.209.487	1.519.826	1.166.043	1.427.001
Accrued Expenses	182.518	128.815	150.627	77.049
	1.739.007	**1.931.613**	**1.524.504**	**1.704.909**

All of the above liabilities are short-term and is not needed prepayment at the balance sheet date.

21. Current tax liabilities

Current tax liabilities of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
Current tax liabilities	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Settlement Account of income tax	1.002.171	469.161	972.334	412.995
Other Liabilities from taxes	928.948	1.303.622	792.272	1.056.530
Total	**1.931.120**	**1.772.783**	**1.764.607**	**1.469.525**

22. Cost of sales

The cost of sales is analyzed as follows:

	GROUP		COMPANY	
Cost of Sales	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Cost of inventories recognized as an expense	95.299.680	88.192.331	62.105.766	60.183.297
Remuneration & Personnel expenses	34.698	38.260	34.698	38.260
Third party Fees & Expenses	161.145	111.946	161.145	111.946
Third party utilities and services	1.381	0	1.381	0
Taxes - Duties	0	0	0	0
Sundry Expenses	915	608	915	608
Depreciation of fixed assets	949	1.648	949	1.648
Operating provisions	0	0	0	0
	95.498.769	**88.344.792**	**62.304.855**	**60.335.758**

23. Administrative expenses - distribution

The administrative and distribution expenses are analyzed as follows:

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	GROUP		COMPANY	
Administrative Expenses	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Personnel payroll and expenses	1.550.080	1.385.776	1.052.879	1.014.869
Third party Fees & expenses	435.466	392.368	308.814	302.103
Third party utilities and services	576.095	468.225	478.002	385.393
Taxes and Duties	104.051	74.922	90.219	66.771
Sundry Expenses	345.834	226.014	97.694	126.971
Depreciation of fixed assets	360.359	349.896	285.281	306.549
Operating Provisions	187.019	434.132	100.000	394.309
	3.558.904	**3.331.332**	**2.412.890**	**2.596.965**

	GROUP		COMPANY	
Distribution Expenses	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Personnel payroll and expenses	4.651.816	4.392.010	3.279.020	3.308.516
Third party Fees & expenses	378.945	333.192	140.415	162.769
Third party utilities and services	844.396	780.876	592.755	573.916
Taxes and Duties	160.331	117.440	129.491	92.446
Sundry Expenses	1.834.027	1.591.138	859.219	697.063
Depreciation of fixed assets	531.952	506.070	352.527	333.235
Operating Provisions	1.131.575	592.920	1.000.000	500.000
	9.533.043	**8.313.646**	**6.353.427**	**5.667.946**

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24. Other operating income / expenses

Other operating income and expenses are analyzed as follows:

	GROUP		COMPANY	
Other operating income	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Amortisation of grants L.3299/2004	58.503	59.089	58.503	59.089
Manpower Employment Organization subsidies	0	1.369	0	1.369
Income from rents	22.650	22.650	22.650	22.650
Extraordinary income	390.203	283.069	59.681	62.434
Prior years' income	21.889	26.133	10.556	0
Other operating income	95.193	73.361	33.110	6.093
	588.438	**465.672**	**184.500**	**151.636**

	GROUP		COMPANY	
Other operating expenses	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Extraordinary expenses	513.870	316.182	1.571	20.894
Extraordinary losses	1.339	107.626	1.339	107.626
Exchange Differences	12.729	2.772	12.729	2.772
	527.938	**426.580**	**15.639**	**131.292**

25. Income Tax

The income tax charged to comprehensive income, is analyzed as follows:

	GROUP		COMPANY	
Income Tax	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Income Tax	1.217.077	644.530	972.334	412.995
Deferred tax expense / (income)	-258.098	271.505	-254.919	237.730
Other non-incorporated taxes	1.600	2.400	1.600	2.400
	960.579	**918.435**	**719.015**	**653.125**

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Further the income tax presented in the income statement is analyzed in the following tables:

	GROUP		COMPANY	
	1.1-31.12.2016	**1.1-31.12.2015**	**1.1-31.12.2016**	**1.1-31.12.2015**
Profit before Taxes	3.605.395	3.616.598	2.379.054	2.150.405
Income Tax based of application of each country tax rate	933.546	867.238	689.926	623.617
Taxes not included in operating cost	1.600	2.400	1.600	2.400
Tax effect of not deductible expenses for tax purposes	25.433	48.797	27.489	27.107
Taxes in the income statement	**960.579**	**918.435**	**719.015**	**653.125**

26. Earnings per share

	GROUP		COMPANY	
	1/1-31/12/2016	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Profit attributable to the owners of the parent	2.632.818	2.711.168	1.660.039	1.497.280
Weighted average number of shares	26.730.187	26.730.187	26.730.187	26.730.187
Earnings after taxes per share - basic (in €)	**0,0985**	**0,1014**	**0,0621**	**0,0560**

27. Unaudited tax years

The unaudited tax years of the companies of the Group are as follows:

Company name	Unaudited tax fiscal years
ELTON INTERNATIONAL TRADING COMPANY SA (Greece)	2009-2010
ELTON CORPORATION S.A. (Romania)	2010-2016
ELTON CORPORATION L.T.D (Bulgaria)	2010-2016
ELTON CORPORATION D.O.O. (Serbia)	2010-2016
ELTON CORPORATION O.O.O. (Ukraine)	2011-2016

From the year 2011 until 2015, the Greek companies that fulfilled specific requirements were obligated to be under annual tax control by their Certified Auditors, for their compliance to the regulations of the relative tax legislation.
The result of this audit was to issue a tax compliance audit report which, if the conditions were fulfilled, was a substitute for control by the public authority and allowed the company to terminate its tax obligations for the relevant fiscal year. The tax authorities, however, retained the right for future control.
The Company has already been audited for the years of 2011 until 2015 by its Certified Auditor and has received the Annual Tax Certificate without reservation. In accordance with the applicable tax law (article 65A of law 4174/2013), the tax audit and the tax compliance audit report are also applicable for the year 2016 but on a voluntary basis.
The tax audit for the year 2016 is already carried out by certified auditors.
Upon completion of the tax audit, the Company's Management does not expect that any significant tax liabilities to arise beyond those recorded and reported in the financial statements.

28. Transactions with related parties

Transactions with these parties take place at strictly commercial basis and on normal commercial terms.
The Group is not involved in any transaction of unusual nature or content which is material to the Group, or companies and persons closely associated with it, and has no intention to enter into such transactions in the future.
None of the transactions contain special or unusual terms and conditions. The cumulative amounts of sales and purchases for the year 2016 compared to 2015 and the balances of receivables and the Company's obligations arising from transactions with the affiliated within the meaning of IAS 24, of its parties are as follows:

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES				
	SALES		PURCHASES	
COMPANY	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
ELTON CORPORATION SA	443.043	520.856	544.982	1.765.933
ELTON CORPORATION EOOD	227.124	166.321	45.176	171.796
ELTON CORPORATION DOO	185.326	81.617	25.520	0
ELTON MARMARA A.S.	104.500	0	0	0
TOTAL	**959.994**	**768.794**	**615.678**	**1.937.729**

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TRANSACTIONS OF ELTON SA WITH RELATED PARTIES				
	RECEIVABLES		OBLIGATIONS	
COMPANY	31/12/2016	31/12/2015	31/12/2016	31/12/2015
ELTON CORPORATION SA	49.671	83.197	1.572.518	1.478.037
ELTON CORPORATION LTD	549.979	395.650	17.660	18.787
ELTON CORPORATION DOO	300.156	194.685	0	0
ELTON MARMARA A.S.	52.330	0	0	0
TOTAL	**952.136**	**673.532**	**1.590.179**	**1.496.824**

Group Companies' Purchases- Sales of period 1/1- 31/12/2016							
	Purchase Company						
Sale Company	ELTON INT.SA	ELTON SA	ELTON LTD	ELTON DOO	ELTON OOO	ELTON MARMARA	Total
ELTON INT.TRADING CO.SA	*	443.043	227.124	185.326	0	104.500	**959.994**
ELTON CORPORATION SA	544.982	*	91.353	0	180	0	**636.515**
ELTON CORPORATION LTD	45.176	211.307	*	24.994	17.132	0	**298.609**
ELTON CORPORATION DOO	25.520	0	10.820	*	0	0	**36.340**
ELTON CORPORATION OOO	0	0	0	0	*	0	**0**
ELTON MARMARA AS	0	0	0	0	0	*	**0**
Total	**615.678**	**654.351**	**329.297**	**210.320**	**17.312**	**104.500**	**1.931.458**

Group Companies' Purchases- Sales of period 1/1- 31/12/2015							
	Purchase Company						
Sale Company	ELTON INT.SA	ELTON SA	ELTON LTD	ELTON DOO	ELTON OOO	ELTON MARMARA	Total
ELTON INT.TRADING CO.SA	*	520.856	166.321	81.617	0	0	**768.794**
ELTON CORPORATION SA	1.765.933	*	26.365	10.850	0	0	**1.803.148**
ELTON CORPORATION LTD	171.796	112.624	*	21.010	0	0	**305.430**
ELTON CORPORATION DOO	0	2.746	10.600	*	0	0	**13.346**
ELTON CORPORATION OOO	0	0	0	0	*	0	**0**
ELTON MARMARA AS	0	0	0	0	0	*	**0**
Total	**1.937.729**	**636.226**	**203.286**	**113.477**	0	0	**2.890.718**

Group Companies' Receivables - Obligations at 31/12/2016							
	Obligation of						
Claim of	ELTON INT.SA	ELTON SA	ELTON LTD	ELTON DOO	ELTON OOO	ELTON MARMARA	Total
ELTON INT.TRADING CO.SA	*	49.671	549.979	300.156	0	52.330	**952.136**
ELTON CORPORATION SA	1.572.518	*	25.230	0	0	0	**1.597.748**
ELTON CORPORATION LTD	17.660	60.732	*	8.294	0	0	**86.686**
ELTON CORPORATION DOO	0	0	0	*	0	0	**0**
ELTON CORPORATION OOO	0	0	0	0	*	0	**0**
ELTON MARMARA AS	0	0	0	0	0	*	**0**
Total	**1.590.179**	**110.402**	**575.209**	**308.450**	**0**	**52.330**	**2.636.570**

Group Companies' Receivables - Obligations at 31/12/2015							
	Obligation of						
Claim of	ELTON INT.SA	ELTON SA	ELTON LTD	ELTON DOO	ELTON OOO	ELTON MARMARA	Total
ELTON INT.TRADING CO.SA	*	83.197	395.650	194.685	0	0	**673.532**
ELTON CORPORATION SA	1.478.037	*	0	37.816	0	0	**1.515.853**
ELTON CORPORATION LTD	18.787	0	*	21.010	0	0	**39.797**
ELTON CORPORATION DOO	0	0	12.863	*	0	0	**12.863**
ELTON CORPORATION OOO	0	0	0	0	*	0	**0**
ELTON MARMARA AS	0	0	0	0	0	*	**0**
Total	**1.496.824**	**83.197**	**408.513**	**253.511**	**0**	**0**	**2.242.045**

The Company carries out its transactions with related parties, within the framework of its business and a pure commercial basis.

There are no loans to the related parties, apart from the following loan guarantees of one year:
amount of one million euros (1.000.000€) to subsidiary «ELTON CORPORATION DOO BELGRADE»,
amount of two million euros (2.000.000€) to subsidiary «ELTON CORPORATION EOOD»,
amount of one million euros (1.000.000€) to subsidiary «ELTON CORPORATION OOO» and
amount of one million euros (1.000.000€) to subsidiary «ELTON P.L.S. SA»

There are no bad debts or provisions for bad debts between related parties (subsidiaries) of the Group.

Details of the fees and transactions of directors and members of management as well as the balances of receivables and liabilities related to them on the periods 1.1-31.12.2016 and 1.1-31.12.2015 were as follows (amounts in euros):

	GROUP		COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Transactions and fees of managers and members of the administration from payroll and profits	1.025.850	868.908	705.079	720.251
Receivables from managers and BoD members	0	0	0	0
Obligations to key management personnel and BoD members	24.337	74.337	24.337	74.337

There were no changes in the transactions between the Company and its connected persons which could have a material effect on the financial position and performance of the Company for the period 1.1-31.12.2016.

29. Number of employees

The number of employees at the end of the period was as follows: Group **230**, Company **117**. The number of employees at the end of the corresponding period last year was: Group **201**, Company **113**.

30. Contingent Claims - Obligations

Information regarding contingent obligations

There are no legal or under arbitration cases of the Company or its subsidiaries and decisions of courts or arbitration authorities who have or may have a material effect on the financial status or operation of the Company and the Group.

Information regarding contingent claims

The Company is involved in some litigation claims in the ordinary course of its business, the majority of which relates to a claim for collecting of customers bad debts.

31. Commitments

The Group and the Company are leasing tangible assets (transport means) under operating leases. The future total payable leases according to the operating leases and taking into account to the annual readjustment are as follows:

	GROUP		COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Up to 12 months	200.226	247.259	200.226	192.189
Between 13-60 months	214.815	302.800	214.815	271.896
Total	**415.040**	**550.059**	**415.040**	**464.085**

32. Remuneration of Auditors

The remuneration of the auditors for the year 2016 was:

(a) Audit of financial statements: Group: € 32.500,00 Company: € 17.000,00.

(b) Tax Audit: Company: 12.000,00 euros.

Apart from the above audit services, other services are not provided by the auditors.

33. Encumbrances

There aren't any encumbrances on the property of the parent Company and its subsidiaries.

34. Events after the balance sheet date

There are not significant events after the balance sheet date.

Avlonas Attica, April 26th 2017

PRESIDENT & CEO	B.O.D. MEMBER	FINANCIAL MANAGER	GROUP FINANCIAL MANAGER
NESTOR D.PAPATHANASIOU	ALKISTIS N.PAPATHANASIOU	STYLIANOS D.VASILIOU	ANTONIOS GIASSARIS
ID card num.AB606775	ID card num.AE105490	ID card num.T132250	ID card num.AN061294

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ELTON INTERNATIONAL TRADING COMPANY S.A.

ELTON

Company's No in the Registry of S.A. : 346001000 General Commercial Reg.Number 7951/06/B/86/85
Head Office: Avlonas Attiki , Draseza place (Industrial zone Avlona)

FINANCIAL STATEMENTS AND INFORMATION of period from 1st January 2016 until 31st December 2016

(published according to K.N. 2190/20, article 135 for companies that issue annual financial statements consolidated and non, according to IAS). The following data and information derived from the financial statements aim to provide general information about the financial position and results of ELTON INTERNATIONAL TRADING COMPANY SA. We advise the reader, before making any investment decision or other transaction with the company, to visit the web site where the financial statements and the report of the auditor where required.

COMPANY INFORMATION

Website :	www.elton .gr
Board of Directors :	Nestor D. Papathanasiou President and CEO
	Alkisti N. Papathanasiou and Katy Andreou executive members.
	Elektra N. Papathanasiou non executive member
	Christos Poulis and Michalis Hatzis
	non executive independent members.
Date of Financial Statements' approval by the Board :	26/04/2017
Certified Auditor	Ioannis Savadis S.O.E.L. 33391
Audit firm :	SOL AE OE
Type of Audit Review :	Unqualified opinion

1.1. STATEMENT OF FINANCIAL POSITION

(consolidated and company's) Amounts in euro

	GROUP		COMPANY	
ASSETS	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Fixed Assets	16.179.238	16.476.505	11.255.485	11.398.112
Intagible Assets	2.769.619	2.908.998	2.657.895	2.817.988
Other non current Assets	1.432.840	1.940.497	13.544.885	13.315.263
Inventories	18.504.675	18.648.025	11.517.473	12.276.893
Trade Receivables	40.570.730	40.419.974	29.528.573	28.704.058
Other current Assets	9.138.260	7.863.526	7.465.686	5.743.244
TOTAL ASSETS	88.595.361	88.257.523	75.969.998	74.255.556
EQUITY AND LIABILITIES				
Share Capital	16.038.112	16.038.112	16.038.112	16.038.112
minus : purchase of company's own shares	0	0	0	0
Other net Equity	33.200.712	31.114.128	28.756.850	27.099.426
Equity attributable to the equity holders of the parent (a)	49.238.824	47.152.240	44.794.962	43.137.538
Minority Interest (b)	348.549	289.189	0	0
Total Equity (c)=(a)+(b)	49.587.373	47.441.428	44.794.962	43.137.538
Long Term Borrowings	2.663.154	1.666.664	2.262.653	1.666.664
Provisions/Other Long Term Liabilities	2.249.597	2.377.295	2.137.706	2.236.973
Short Term Borrowings	18.128.721	19.587.810	15.251.806	15.028.912
Other Short Term Liabilities	15.966.515	17.184.326	11.522.870	12.185.469
Total Liabilities (d)	39.007.988	40.816.095	31.175.036	31.118.018
TOTAL EQUITY AND LIABILITIES (c)+(d)	88.595.361	88.257.523	75.969.998	74.255.556

1.2. INCOME STATEMENT

(consolidated and company's) Amounts in euro

	GROUP		COMPANY	
	1/1 - 31/12/2016	1/1 - 31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Turnover	113.521.403	104.815.712	74.200.098	71.549.840
Gross Profit	18.022.635	16.470.920	11.895.243	11.214.082
Profit/(loss) before taxes,financing & investing results	4.991.188	4.865.034	3.297.787	2.969.514
Profit before taxes	3.605.395	3.616.598	2.379.054	2.150.405
Profit/(loss) after Taxes (A)	2.644.816	2.698.163	1.660.039	1.497.280
Attributable to: Owners of the parent company	2.632.818	2.711.168	1.660.039	1.497.280
Minority interest	11.998	(13.005)	0	0
Other comprehensive Income after tax (B)	-389.946	(102.604)	-2.615	17.648
Total comprehensive Income after tax (A)+(B)	2.254.871	2.595.560	1.657.424	1.514.929
Attributable to: Owners of the parent company	2.314.626	2.605.564	1.657.424	1.514.929
Minority interest	-59.755	(10.004)	0	0
Earnings after taxes per share (€)	0,0985	0,1014	0,0621	0,0560
Profit before taxes, financing & investing results and depreciation (EBITDA)	5.885.698	5.723.901	3.936.544	3.610.947

1.4 STATEMENT OF CHANGES IN EQUITY

(Consolidated and company's) Amounts in euro

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Equity at the beginning of the period (1/1/2016 and 1/1/2015 respectively)	47.441.428	44.546.677	43.137.538	41.622.609
Total comprehensive income after tax	2.644.816	2.698.163	1.660.039	1.497.280
Exchange differences	-387.331	-120.252	0	0
Actuarially profit / (loss) on defined benefit pension plans	-2.615	-4.625	-2.615	0
Effect by changing tax rate (from 26% to 29%) of deferred tax	0	22.273	0	17.648
Other	-108.925	299.192	0	0
Equity at the end of the period (31.12.2016 and 31.12.2015 respectively)	49.587.373	47.441.428	44.794.962	43.137.538

Avlonas Attica, 26th April 2017

PRESIDENT & CEO	B.O.D. MEMBER	FINANCIAL MANAGER	GROUP C.F.O.
NESTOR D. PAPATHANASIOU	ALK.N.PAPATHANASIOU	ST.D.VASILIOU	ANTONIS YASSARIS
ID card num. AB 606775	ID card num. AE 105490	ID card num.T 132250	ID card num. AN 061294

1.3 CASH FLOW STATEMENT

Consolidated and Company's (amounts in euro)

	GROUP		COMPANY	
Operating Activities	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Profit before taxes	3.605.395	3.616.598	2.379.054	2.150.405
Adjustments for :				
Depreciation and Amortization	893.260	857.617	638.757	641.433
Amortization of grants	-58.503	(59.089)	-58.503	(59.089)
Provisions	1.495.100	1.182.906	1.133.295	918.413
Exchange Differences	-324.330	121.041	-12.729	2.772
(Gain) or Loss from investing activities	4.233	110.268	1.229	122.720
Interest and similar charges	1.391.672	1.164.020	918.733	819.109
Working capital changes				
Decrease / (Increase) of inventory	294.657	(2.301.415)	759.420	(1.654.776)
Decrease / (Increase) of trade receivables	-1.993.595	(2.413.906)	-1.684.531	(381.729)
(Decrease) / Increase of liabilities (except loans)	-2.150.812	600.835	-1.637.574	1.010.975
Less :				
Interest and similar charges paid	-1.299.060	(1.020.041)	-918.215	(697.147)
Tax paid	-345.052	(286.284)	0	(2.915)
Total cash/ (used in) generated from operating activities (a)	1.512.967	1.572.551	1.518.937	2.870.171
Investing Activities				
Acquisition of Subsidiary	0	(1.746.353)	-150.000	(2.360.000)
Purchase of Intagible Assets, Property	-538.871	(593.219)	-337.266	(425.926)
Sale of fixed and intagible assets	9.063	7.426	0	3.600
Interest received	59.098	109.703	522	153
Dividends received	0	0	0	0
Total cash/ (used in) generated from investing activities (b)	-470.710	(2.222.444)	-486.744	(2.782.173)
Financing Activities				
(Buy)/ sale of company's own shares	0	0	0	0
Proceeds from increase of share capital	107.118	0	0	0
Proceeds from Borrowings	31.705.120	9.902.451	26.030.000	6.000.000
Repayment of Borrowings	-32.312.508	(4.925.151)	-25.211.117	(3.068.852)
Repayment of Finance Lease Liabilities	0	0	0	0
Dividends paid	0	0	0	0
Total cash/ (used in) generated from financing activities (c)	-500.271	4.977.300	818.883	2.931.148
Net increase/(decrease) in Cash and Cash equivalents (a)+(b)+(c)	541.985	4.327.408	1.851.076	3.019.147
Cash and Cash Equivalents at the beginning of the period	5.492.326	1.164.918	3.450.156	431.009
Subsidiary Consolidation	6.538	0	0	0
Cash and Cash Equivalents at the end of the period	6.040.849	5.492.326	5.301.231	3.450.156

1.5 ADDITIONAL DATA AND INFORMATION

1. The companies of the Group with their respective countries of residence and percentage holdings , included in the consolidated financial statements

COMPANY	COUNTRY	PERCENTAGE HOLDING	CONSOLIDATION METHOD
ELTON INTERNATIONAL TRADING COMPANY SA	GREECE	PARENT	
ELTON CORPORATION SA	ROMANIA	100%	FULL
ELTON CORPORATION LTD	BULGARIA	100%	FULL
ELTON CORPORATION DOO	SERBIA	100%	FULL
ELTON MARMARA KIMYA SANAYI VE TICARET AS	TURKEY	70%	FULL

2. The Company has been audited by the tax authorities up to and including the financial year 2015 (except 2009-2010). The unaudited tax years for the Group subsidiaries are the following: ELTON CORPORATION SA (2010-2016), ELTON CORPORATION LTD (2010-2016), ELTON CORPORATION DOO (2010-2016), ELTON CORPORATION OOO (2011-2016). The Company and the Group have formed provisions for tax unaudited fiscal years amounting to € 115.496. For the year 2016 the company has benefited from the tax audit of Certified Auditors Accountants provided by the provisions of Article 65 A N.4174/2013. This audit is in progress and the related tax certificate will be granted after the publication of the financial statements of year 2016.

3. There are no encumbrances on the property.

4. There is not any litigation or arbitration or administrative court that may have a material effect on the financial position of the Company andits subsidiaries.

5. Number of employees at the end of the current period : Group 230 Company 117. (31/12/2015: Group 201 ,Company113).

6. n the above financial statements compiled same basic accounting principles as at the Balance Sheet 31/12/2015.

7. The Group and the Company have made provisions for bad debts up to 31/12/2016 amounting to 5.095.329 and 4.001.235 euros respectively and provisions for discredited inventoriesamountinto152.351 euros for the Group and 130.000 euros for the Company. Until 31st December 2016 the provision for staff compensation in the Group and the Company was 479.451 €.

8. Cumulative amounts of sales and purchases , since the begining of the year and the balances of receivables and payables of the Group and the Company at the end of the year , resulting from its transactions with associated parties, according to the IFRS 24, are as follows :

	GROUP	COMPANY
	1/1-31/12/2016	1/1-31/12/2016
Sales	0	959.994
Purchases	0	615.678
Receivables from associated parties	0	952.136
Payables to associated parties	0	1.590.179
Directors' and Managers' remuneration	1.025.850	705.079
Receivables from Managers and Directors	0	0
Payables to Managers and Directors	24.337	24.337

9. The other comprehensive income after tax are:

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Exchange Differences	-387.331	-120.252	0	0
Deffered taxes	1.068	24.162	1.068	24.162
Actuarially profit/loss	-3.683	-6.514	-3.683	-6.514
TOTAL	-389.946	-102.604	-2.615	17.648

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*These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek version will prevail over this document